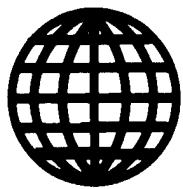


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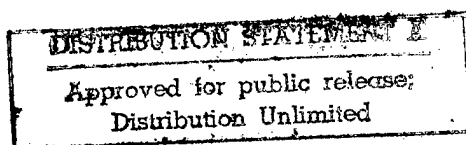
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JPRS Report

East Asia

Southeast Asia

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Banditry on Highway Four Described

92SE0218A Bangkok BANGKOK POST in English
25 Mar 92 p 29

[Article by Mark Dodd, Highway Four, Cambodia: "Stand and Deliver If You Want To Use Cambodia's Highway 4"]

[Excerpts] An hour after the 35-vehicle United Nations peace-keeping convoy passed by, Cambodian militiamen on Highway Four were back to their old habits.

Halting traffic to demand money or cigarettes, the militiamen target travellers along the highway, imposing their own toll system for those who risk using the road.

The "Stand and Deliver" tactics of ill-disciplined and unpaid government militiamen is one of the biggest hazards along the 240-kilometre (150-mile) road between Phnom Penh and the main southern port of Kompong Som.

"If you're leaving for Phnom Penh make sure you are on the road by 9 a.m.

"It gets dangerous after then," advised one long-time resident of the port. [passage omitted]

Just outside Kompong Som, the tarmac is peppered with shrapnel from mortars and rockets fired by invading Vietnamese at retreating Khmer Rouge guerrillas during heavy fighting after Christmas 1978.

Further on is a big government army outpost surrounded by trenches, foxholes and timbered bunkers aimed at stopping Khmer Rouge guerrillas infiltrating from nearby mountains.

The threat of guerrilla attack has receded since the rival Cambodian armies signed an accord last October to end 13 years of civil war.

But government militiamen posted at intervals along the road still consider cars fair game.

Foreigners are usually waved through the informal checkpoints.

For ordinary Cambodians it is all too common to see a group of armed militia "negotiating" a toll.

Lounging at bridges, lying on the road or squatting under make-shift branch shelters, these latter-day highwaymen, armed with AK-47 rifles, B40 rocket launchers or light machine-guns, seek their share of the stream of newly-imported goods headed for the booming capital.

The most risky stretch is 100 km (60 miles) of road running through the Phnum Damrei mountains, a huge forest-covered range that starts about 10 km (six miles) out of Kompong Som.

This month, a car carrying three Western journalists passed a lone militiaman who aimed a B-40 rocket launcher at their unmarked vehicle. [passage omitted]

Highway Four is a rich picking ground, the main artery carrying imported consumer goods to Phnom Penh.

Many goods are offloaded in Kompong Som from ships arriving from Singapore.

The port is also the main terminal for a steady stream of trucks trundling down the potholed road with huge bundles of planking or valuable hardwood logs.

These are bound for Osaka, Japan, or for Vietnam as repayment for incurred war debts.

Tarpaulined trucks headed for the capital assemble on the outskirts of Kompong Som.

Like a scene from a "Mad Max" film, they travel in convoys 15 strong.

They are escorted by Phnom Penh government regular soldiers riding on Japanese pick-ups fitted with 12.7mm heavy machine guns or 75mm recoilless rifles.

Many of the militiamen on Highway Four have not been paid for two or three months and face an uncertain future. [passage omitted]

POLITICAL

Article Comments on Dutch Aid

92SE0235B Jakarta *SUARA KARYA* in Indonesian
30 Mar 92 pp 1, 11

[Article by Soetjipto Wirosardjono under the "Vision and Dialogue" rubric: "It Is the Dutch Attitude We Regret"]

[Text] "I am offended. As a member of a sovereign nation with self-respect, I do not accept it. The conduct of the IGGI [Inter-Governmental Group on Indonesia] in our homeland was truly offensive: They inspected village slums and pointed out 'destitute pockets,' which we admit have been left behind in our move toward development. The way they chose coverage for those visits was unbalanced and excessive. Hiding behind universal concern for basic human rights, environmental damage, justice, and legal rights, the Dutch intimidated by threatening to postpone loans. This clearly was interference in our internal affairs. They did not heed the warning Prof. Widjojo Nitisaastro once gave. It is not proper for this nation to allow itself to be humiliated like that," said a nationalistic and critical friend of mine.

The same theme has been voiced by elderly politicians, who developed their fighting spirit at the time when the Indonesian people were still setting up a strong national sovereignty. A retired senior general and a former ambassador to one of the European countries bitterly complained, saying the heirloom kris [traditional double-edged dagger], the "blangkon" [batik headdress], and "dodot" [batik wrap-around worn by nobility] he wore when he presented his credentials made it absolutely impossible for him to bow and scrape asking for loans—or euphemistically, aid—from an arrogant donor.

Foreign loans must be obtained without having to sacrifice honor and national sovereignty, he said. There is a convention in international relations that a country does not interfere in the internal affairs of a nation with which we wish to establish diplomatic ties. There is universal agreement that economic aid, whether grants or loans, must be based on mutual interests. Therefore, neither side wants conditions to be attached to policies on matters of state, government, and development. If a nation providing aid launches direct or indirect criticism accompanied by threats (which can then legitimately be called intimidation) toward laws, government decisions, or management of development, such actions constitute unwanted interference. If such concerns relate to questions of mutual interest or to the upholding of universal norms, such as human rights, democracy, justice, environmental conservation, etc., they should be presented in a businesslike way and with normal diplomatic courtesy. This will then give opportunity to both sides to present their arguments.

Throughout the history of our relations with the Netherlands, this has been a difficult matter. We understand that Indonesia as a former Dutch colony has a special place in economic, political, and cultural ties with the Netherlands. This special attention has both positive and negative impacts. Positively, we feel that the attention poured out on

our country by the Dutch political and business communities is greater than that shown to other nations. For example, although the Dutch financial contribution to the consortium of lenders is small, its diplomatic role in influencing other countries, particularly in Western Europe, to give help to Indonesia has been large indeed. In the eyes of its colleagues in Europe, the Dutch are considered the most knowledgeable about Indonesia. For that reason, they treat the Netherlands as a "resource country" in which they can depend.

Negatively, however, this former colonial nation feels it knows much, and it still protects its extensive contacts in our homeland. It has ingrained perceptions about our political conduct and our culture. The *idée fixe* it developed for centuries is not easily erased from the framework of Dutch political, diplomatic, economic and cultural discourse with us. As a result, those prejudices often become the background for positions that are sometimes just and sometimes unjust in their discussion of political, state, government, and development actions in Indonesia. Their "resource persons" consist of Indonesian experts with ingrained academic vision and personal inclinations toward this country, which is undergoing change in order to move ahead.

Viewed from the aspect of our diplomatic policy, the disbanding of the IGGI would represent an important "turning point." It would not be a step backwards, but a step that restores the balance of political and economic interests in diplomacy. From the beginning, as a concerned citizen, I have wanted to see our diplomatic policies conducted in a more balanced way. During the first two decades of the New Order, it very much seemed that economic interests were placed above everything else. The result was that our foreign policies on national independence, free and active politics, and partiality toward national freedom struggles appeared to be subordinated to economic interests alone.

Minister Deplores Linking Aid to Internal Politics

92SE0235A Jakarta *SUARA KARYA* in Indonesian
30 Mar 92 pp 1, 11

[Text] Jakarta (SUARA KARYA)—Minister of Mining and Energy Ginanjar Kartasasmita declared that a donor country's attitude in linking its foreign aid to political developments in Indonesia indicates that it still has a colonial mentality. Meanwhile, the Center for Monetary and Taxation Studies (CFMS) said it believes the Indonesian Government's action to reject Dutch economic aid will further reinforce the future self-sufficiency of the APBN [National Budget].

After leading a meeting with top officials and leaders of BUMN's [state-owned business enterprises] in the sphere of the Department of Mining and Energy in Jakarta on Friday [27 March], Ginanjar said, "I have long felt that several of the donor countries still have a colonial attitude and feel they have all the knowledge and all the authority with regard to developments in Indonesia. Thus, their attitude is always as though we are subject to them."

Nevertheless, the minister continued, other ties with the Netherlands will remain undisturbed, and our relations will be normal and "proportional," like our relations with other

sovereign countries. He also stated that he is not going to "blacklist" Dutch companies that have long been BUMN business partners in the sphere of the Department of Mining and Energy. Business ties between the two countries will continue to function normally.

In the meeting, the minister had instructed all echelons of his department to make an inventory of projects, whether operational or still in the planning stage, that receive help from the Netherlands.

He said the inventory of Dutch-aided projects will be submitted to BAPPENAS [National Development Planning Board] early next week for further action. There are three alternatives to the aid projects the government may take: First, seek other sources of funds; second, continue the projects with government money only; or, third, change suppliers or contractors. "Because projects under the Department of Mining and Energy that receive Dutch aid are very small, there will be no problem in proceeding with them as BAPPENAS may direct," Ginanjar said.

Consequence

In the eyes of the CFMS, Indonesia's action in rejecting the Dutch aid has the consequence of requiring the Indonesian Government to return to definite steps to increase domestic revenues, whether through taxes or by exports. The government can spur exports by accelerating deregulation in the real sector to create efficiency in the national economy.

CFMS reaction to the Indonesian Government's rejection of Dutch economic aid was revealed by CFMS directors on Friday in a press conference in Jakarta. On Thursday night [26 March], they had discussed and studied the issue. They also presented their opinion that the Indonesian action to reject Dutch economic assistance reflects a basic consistency with the position that economic aid cannot be linked to any political wishes by donor countries.

Minister of State and State Secretary Murdiono announced Indonesia's rejection of the Dutch aid on Wednesday night [25 March]. Besides rejecting the aid, Indonesia also asked that the Netherlands no longer head the IGGI (Inter-Governmental Group on Indonesia), for Indonesia views Dutch aid as a way to intimidate and threaten Indonesia.

Drs. Soemarso S.R., CFMS general chairman, said that the self-sufficiency of the APBN is implied in the 1992-1993 RAPBN [Draft National Budget], in which foreign aid is budgeted at 9.6 trillion rupiah, or 7.4 percent less than in the 1991-1992 RAPBN. Moreover, the foreign aid portion of the total budget is less than in the previous budget, or 17.1 percent instead of 20.5 percent.

The 1988 GBHN [Broad Outline of State Policy] states that foreign aid is merely a supplement to the financing of national development. Foreign aid to Indonesia cannot be linked to any political desires by donor countries. "Therefore, the CFMS believes that the government's action to reject Dutch assistance is consistent with the current aspiration of the Indonesian people to guard Indonesia's integrity in the eyes of the world," Soemarso said.

Suitable Momentum

The CFMS feels that the action of the Indonesian Government to reject Dutch aid needs to be followed up with definite efforts to give dynamics to the national economy through acceleration of deregulation in the real sector. There is now suitable momentum for launching deregulation to create efficiency in every sector. Only by such deregulation can the high cost economy be restrained. This deregulation is most needed in the agricultural, communications, business, and industrial sectors.

If economic efficiency can be achieved, our export products will be more competitive, trade volumes will grow, and foreign currency revenues will rise. Such conditions will in turn encourage economic growth, higher incomes, and greater tax revenues.

However, Soemarso continued, deregulation in the real sector will not be very effective operationally if the tight money situation is maintained. To encourage economic dynamics, there is no alternative to loosening up the tight money policy.

Dr. Gunawan Sumodiningrat, another CFMS director, added that the center leans more toward recommending that the government increase domestic revenues rather than seek foreign aid to replace the lost Dutch assistance. Domestic revenues could come from taxes, investments, or private-sector businesses that handle savings deposits.

He noted that attention and supervision must be given to creating a balance between the collection of funds and their use. "There is a great need for efficiency, whether in the gathering of funds or in their use. To achieve the desired level of efficiency, there must be wise support by participants and honesty on the part of the authorities involved," Gunawan declared.

ECONOMIC

Aceh Farmers May Not Sell Cloves to KUD

92SE0233A Jakarta *SUARA KARYA* in Indonesian
19 Mar 92 pp 1, 8

[Text] Aceh farmers were advised not to sell their cloves to KUD [Village Unit Cooperatives] any longer. The farmers were told to go ahead and sell their cloves to whoever was willing to buy them at a price profitable to the farmer. "Neither the KUD nor the BPPC [Clove Support and Marketing Board], which monopolize the clove trade, are helping the farmers any longer. In fact, the very idea is far from the intentions of an economy based on Pancasila [the five principles of the nation]," said Miswar Sulaiman, an MP [member of parliament] from the Aceh DPRD [Provincial Parliament], at the third plenary session of Parliament held yesterday.

The problem of the crisis in the clove trade after the birth of the BPPC was the cause of fiery discussions at the Provincial Parliament's plenary session concerning the delivery of the Aceh 1992-1993 Finances and APBD [Provincial Budget] yesterday. The focus of the discussions was the proposal made to the government to dissolve the BPPC

because the farmers have been suffering since the birth of this clove support and marketing board.

Besides Miswar Sulaiman (FPP [United Development Party faction]), other Aceh provincial parliament members who discussed the clove crisis included H Teuku Darwin and Hj Syarifah Hanoum (both from the FKP [functional groups development faction]), Syafi'i Marsimin (F-ABRI [Armed Forces faction]), Muslim MS (FPP) and T. Sulaiman Daud (F-PDI [Indonesian Democracy Party faction]).

Miswar Sulaiman, who was intercepted by SUARA KARYA after the plenary session, said that the function of the BPPC as a support board was clearly leading toward a monopolistic system. In fact, the very idea was getting further and further away from Pancasila's economic intentions, which emphasized the interests of the people.

Clove trading nowadays, said Miswar, only benefits the BPPC and the KUD, whereas it is the farmers, the tillers of the soil and the producers, who are suffering. "The BPPC and the KUD easily obtain bank credits of billions of rupiahs, which they say are for buying cloves from the farmers in accordance with the Minister of Trade's decree. In fact, up to now the farmers have been all messed up because there isn't any KUD willing to buy their cloves," said Miswar Sulaiman.

"All sides have the same excuses. The KUD doesn't buy the cloves because there isn't any money. The BPPC doesn't take the cloves from the KUD because bank credits aren't liquid yet. On the other hand, the banks say that everything is all right. What's going on here? Do they want to trick the farmers?" said Miswar furiously.

He said that the behavior and the tricks of the BPPC and the KUD have deviated from Pancasila's economic ideas. Therefore, the members of the Provincial Parliament suggest that all clove farmers in Aceh no longer depend on the KUD. "Go ahead and sell to whoever wants to buy. If the farmers continue to put their hopes on the KUD, they could starve to death," Miswar repeated.

The problem of clove trading heated up again after the BPPC's general chairman Tommy Soeharto suggested that farmers burn part of their crop in order to stabilize prices. Other cases, especially in Aceh, involve the KUD because up to now it hasn't wanted to buy the cloves.

Plywood Being Considered as Half-Finished Product for Export

92SE0233B Jakarta SUARA KARYA in Indonesian
19 Mar 92 pp 1, 11

[Text] The government is investigating the possibility of categorizing plywood as a half-finished product or export commodity on which an export tax has to be imposed. The problem is that it has been possible recently to process plywood products into decorative plywood which has higher value added than plywood.

Junior Minister for Industry Tunky Aribowo made these statements in response to reporters' questions before giving a briefing to participants at a National Working Meeting of the Forestry Department yesterday in Jakarta.

Up to now, to encourage the growth of small-scale industry in the forestry sector, the government has put an export tax into effect. For example, several years ago the export tax on sawn-wood products was raised so that the domestic producers of sawn-wood would be encouraged to create an industry for processing sawn-wood into finished products. This is the only way that the domestic wood industry could enjoy the value added enjoyed up to this point by foreign importers or producers of finished-wood goods.

Before imposing a tax on exported plywood and wood panel products, which up to now have been considered finished goods and therefore free of export taxes, the minister continued, of course the government thought about the possible effects which might accompany this decision. "For example, if we impose a tax on plywood, will this have a positive effect on increased investments in the domestic decorative plywood industry under the conditions of recent rather weak support for capital investment in business?" he asked.

Another consideration which must be made before imposing an export tax on plywood is how much of a guaranteed foreign market there is for decorative plywood. No less important is an estimate of how much revenue the state will get from imposing this new regulation.

"Before raising taxes or imposing export taxes on a certain product, we must pay careful attention to whether there will be investments as a result of this regulation. We shouldn't raise export taxes if investments aren't available yet. Such conditions could result in a small increase or a decline in the revenues which we get," said the junior minister.

Capacity Calculation

When asked about the amount of installed capacity of domestic wood industry products compared to the ability to supply forest wood, Tunky commented that totalling up the existing installed capacity for wood products was not a very accurate way. "People sometimes measure the production capacity of their businesses in different ways. One industry counts the production capacity of companies on the basis of one shift, while other companies do it on the basis of three shifts," he said.

To get a precise figure for the domestic installed capacity of wood products, he continued, "we must first figure out whether the wood industry association calculates it on the basis of one shift or more than one shift," Tunky explained.

In fact, said the minister, excess installed capacity of the wood industry compared to the ability to supply the raw material is not just caused by government failure to prevent or anticipate such an excess. "What is clear is that the decision to invest lies in large part with the entrepreneur. Before deciding to invest, those concerned usually look at the market and at their competitors. If I were an entrepreneur about to invest and I had gotten information that the production capacity exceeds demand, I would think three times about whether to invest," he said.

Gas Pipeline Construction Project

92SE0236A Jakarta SUARA KARYA in Indonesian
30 Mar 92 p 3

[Text] It is estimated that the Kangean, East Java, gas pipeline construction project, better known as the Kangean Gas Piping Project, one of the 'mega' projects whose continued construction was approved by the Foreign Commercial Loan Team, will be completed in September 1993. On the other hand, the Gresik PLTG/U [Gas/Steam Electric Generating Plant], the first block to receive gas from this pipeline, is scheduled to begin operation in June 1993.

According to E. M. Wongkaren, Java Kooperpagas (coordinator for gas piping) of Pertamina's [National Natural Gas and Oil Mining] electric power directorate, the construction stage of this \$440 million project will not begin implementation until June 1992. Bimantara Duta Samodera, Inc., and Tranaco, Inc., are part of the consortium which will handle this project.

The construction stage was begun after F. Abda'oe, Pertamina's director general, T. N. Machmud, head of Arbani [expansion unknown], Gess Lawing, head of Britoil, and Bambang Trihatmodjo, president director of Bimantara Duta Samodra, Inc., signed Amendment I to the Well and Gas Sales and Supply Agreement at Pertamina's Head Office in Jakarta yesterday.

At that time the Operation and Maintenance of Pipeline Agreement and the Trustee Paying Agent Agreement were also signed. Before these documents were initialed, E. M. Wongkaren, Java Koopragas of Pertamina's electric power directorate, said that discussions concerning this project were begun in June 1990. Because there were so many aspects of the project which had to be examined, the discussions took a long time.

This gas pipeline will be used not only to convey gas from the Kangean Block to the Gresik PLTG/U but also to fulfill Gresik Petrochemical, Inc.'s needs for raw materials for fertilizer and also to provide municipal gas supplies to the Surabaya branch of the PGN (State Gas Public Company).

About 20,000 tons of piping, each pipe 28 inches in diameter, have been waiting in Batam for a long time to be installed in this project. About 360 kilometers of pipe will be installed on the sea floor between the Kangean Block and the estuary of the Porong River. From there, the pipe will continue on land for 60 kilometers via Sidoarjo Road, Waru, to Gresik.

The pipe will be able to convey the equivalent of 600 million cubic feet of gas per day. However, in the first stages it is estimated that only about 385 million cubic feet per day will be conveyed.

The Price of Gas

Wongkaren explained that based on the gas trade agreement signed by Pertamina and the PLN [National Electric Company] in December 1989, the price of gas for the Gresik

PLTG/U is \$2.53 dollars per thousand BTUs. The price for Gresik Petrochemicals, Inc., based on a trade agreement signed in April 1991, is \$2 per thousand BTUs and the price for PGN, according to the trade agreement signed in May 1991, is \$2.16 per thousand BTUs.

Pertamina buys gas for the Gresik PLTG/U, originally planned for a capacity of 1,000 megawatts, from the Profit-sharing Contractor (KBH) Company, at a price of \$1.66 per thousand BTUs. However, Pertamina buys the gas at \$1.78 per thousand BTUs for the PLTG/U's additional capacity of 500 megawatts. The cost of sending the gas through the pipeline is on the average about \$0.72 per thousand BTUs.

With the change in the planned capacity of Gresik's PLTG/U from 1,000 megawatts to 1,500 megawatts, it is projected that when operating at full capacity total gas supply needs will rise from 1,329.1 BSCF [expansion unknown] to 1,683.2 BSCF. Gresik Petrochemical, Inc. will need about 428.5 BSCF and the Surabaya PGN will need 719.9 BSCF. In consideration of the change in Gresik PLTG/U's needs, Pertamina and the PLN signed Addendum I to the previous trade agreement in December 1991.

In his remarks, F. Abda'oe, Pertamina's Chief Director, said that the need to increase the use of natural gas can no longer be postponed, considering recent increases in demand for fuel oil (BBM). This includes consumption for electric generators. Using natural gas for electric generators will help reduce the use of fuel oil, particularly the consumption of diesel fuel.

In that connection, Mr. Abda'oe asked all parties concerned to help in the effort to increase the use of natural gas in various aspects of Indonesia's economic structure and infrastructure. Meanwhile, his group will make every effort to construct gas pipeline networks to enable us to create an economy based on natural gas use.

The Use of Natural Gas

Pertamina's policy in the effort to increase the use of natural gas domestically includes directing the allocation of gas reserves and production to areas near consumption centers in order to fulfill their needs both for energy and for industrial raw materials. In particular, gas reserves and production on Java and surrounding areas (on-shore and off-shore) will be allocated to the needs of Java.

Existing opportunities to export LNG [Liquid Natural Gas] can be fulfilled at first by the excess capacity of the LNG train in Bontang and Arun. Priority will be given, especially in East Kalimantan, to extending the 1973 Bontang LNG contract (trains A and B). If there are still excess reserves, priority will also be given to fulfilling domestic needs.

It is known that gas reserves in Arun and surrounding areas are now very limited, so that the extension of the 1973 LNG contract (trains 1, 2, and 3) will have to be fulfilled from Natuna gas reserves. That is why priority must be given to the development of Natuna gas.

Vietnam Gets Construction Contract

92SE0220B Vientiane PASASON in Lao 19 Mar 92 p 1

[Text] In the international bidding held in August 1991 for the construction project on north highway 13 from Vang Viang to Luang Prabang, which is to use funds borrowed from the Asia Development Bank, the United Construction Company No.18 from the SRV submitted the winning bid.

In the evening of 17 March at the Dao Viang Restaurant a ceremony was held to sign additional memoranda concerning the beginning of the construction which was contracted. Although the agreement was signed in February, the preparatory work and the clearing will begin at the end of the coming rainy season. The road surfacing, asphalt paving and other things are expected to be finished at the end of 1995. This section of highway will be 167 km long, and the construction will be worth U.S.\$25 million. Mr Matsounmala, the head of the project for international cooperation of the Ministry of Communications, Transportation, Posts, and Construction, signed the memoranda for the Lao side. Mr. Vu Kim Trung, the director of the construction company mentioned, signed for the Vietnamese side. The ceremony took place in the presence of Mr. Noi Indavong and Mr. Himmakon Manotham, deputy ministers of communications, transportation, posts and construction; Mr. Nguyen Souan, the Ambassador of the SRV to Laos; and high-level cadres from Laos and Vietnam who honored the ceremony with their presence.

Ambassador to Russia Presents Credentials

92SE0220D Vientiane PASASON in Lao 11 Mar 92 p 1

[Text] It was reported from the Lao Embassy in Moscow, that on 2 March 1992 Comrade Soukthavon, the new Lao Ambassador to Russia, presented his credentials to the vice-president of Russia, His Excellency Alexander Vladimirovich Rutskoi. After the presentation the ambassador expressed the best wishes of His Excellency Kaysone Phomviharn, the Chairman of the LPDR [Lao People's Democratic Republic], for His Excellency Boris Nickolai-evich Yeltsin, the President of Russia. Mr Alexander Rutskoi expressed the best wishes of His Excellency Boris Yeltsin for His Excellency Kaysone Phomviharn. In addition they exchanged views about the domestic situations in both countries and expressed approval of the effort being made to increase the benefits from their long-time friendly relations and cooperation. The meeting proceeded in a friendly atmosphere, and both sides were satisfied.

Correspondent on Contact With Chilean Communists

92SE0220E Vientiane PASASON in Lao 31 Mar 92 p 3

[Article by Viset Savengsuksa: "Chilean Communists Note Role of LPRP [Lao People's Revolutionary Party]"]

[Text] To get from our five-star hotel, the "Foundat", to the central office of the Chilean Communist Party, we had to drive through the center of Santiago past the "La Moneda" Palace where former President Salvador Allende was killed in 1973 in the coup led by the military dictator, Pinochet. Behind the wheel of the old Lada automobile was Comrade

Oscar Guido Soto, a member of the foreign relations committee of the Chilean Communist Party. In just 15 minutes we had arrived at the central office of the party. It was a three story building located in a quiet residential section of this capital city, which had a population of 4 million.

Before we entered the office, Comrade Octavio told me that: "If you had come to visit 18 months ago, we would not have had an office like this to receive you in - we had to operate underground then because of the oppression of the dictatorship which was in power from September 1973 to December 1989".

In the four by four [meter] workspace, which still looked just moved into, I met and talked with Comrade Carlos Zuniga, a member of the party Central Committee and head of the foreign relations committee of the Chilean Communist Party, along with my group. The atmosphere was earnest. Comrade Carlos told me that only with great struggle had they been able to shorten the long route it took to allow us to meet at a time when Chile was recovering and progressing toward democracy. In that dark period of 16 years when the Communist Party of Chile was illegal, the Communists had been the victims of more oppression than can be described. Nevertheless the deep red of the Chilean Communists was never diluted.

From 1980 to 1986 they mounted a political struggle and were able to unite all the democratic and patriotic forces to resist the dictatorial power throughout the country. In 1987 the struggle against the Pinochet dictatorship increased until the parliament was abolished and preparations were made for new elections. On 5 October 1988 the people voted against the plan to continue Pinochet's power. In December 1989 in a countrywide election Pinochet was thrown out of office, and Mr. Patricio Aylwin was elected president of Chile. Comrade Carlos said that in this great achievement the Chilean Communist Party played an active role. It became a party able to operate openly. Nevertheless reactionary and rightist powers still attacked the Communist Party and have blocked it from having representatives in parliament.

In the face of the rapid changes in the international situation, the rank and file of the party has increased its conviction and has struggled shoulder to shoulder with the people for political, economic and social reform and for an increase in democracy. The 25 to 30 thousand Chilean Communists are united in the struggle against the remnants of dictatorial power which are still to be found in Chilean society.

The head of the foreign relations committee of the party Central Committee told me that full international solidarity and cooperation among the parties was very necessary. The Communist Party and nation of Cuba still provided a clear mirror for the Chilean Communists and people. During the entire period of struggle the Communist Party of Chile followed closely the lessons on struggle of the Lao people under the leadership of the LPRP [Lao People's Revolutionary Party]. What was most memorable for the Chilean Communists was the historic victory of the LPRP when it siezed power, set up a new system of power and preserved the fruits of the revolution. From these lessons of the LPRP

the Chilean Communists were able to assess their own strengths and weaknesses during the past and to advance toward a new period of struggle.

Before ending our conversation Comrade Carlos said in a joking manner: "Chile has an endless supply of copper. Perhaps Laos and Chile could cooperate in this area in the future. Who knows!"

I and my group flew out of the capital, Santiago, to return home on 16 October 1991 after completing our participation in the 86th session of the International Parliamentary Union. I was very proud to know that even in the farthest corners of the world the Lao people still had millions of friends who were struggling hard and patiently.

Public Dissatisfaction in Houa Phan

92SE0220C Vientiane PASASON in Lao 19 Mar 92 p 2

[Report by Bountham Saignalat: "Houa Phan Province Now"]

[Excerpts] Dear readers, recently a reliable colleague from this newspaper traveled to Houa Phan Province and saw many things both good and bad. He wrote many frank articles which reflected the reality of this province. We felt that it would be beneficial to print these articles and talk about them. Therefore we recommended that those who are interested should read them. [passage omitted]

We spent the night in the town of Sam Neua, and the next day we took the bus to travel the road from Sam Neua to Sop Hao, Sop Long, Xieng Kho and Et District. This road was very difficult. There was only a tire path to follow and so the bus could not travel fast - at most 20 to 30 km per hour. The passengers asked the question: if the road was in this condition, were those responsible for communications really interested? Someone broke in and said that they were interested because originally officials had mobilized the people to work with the state to build bridges and repair the road. The state was responsible for the funding and the engineering, and the people were responsible for the labor. Then those in charge betrayed the people and did not pay them as much as had been agreed for their labor. The people lost faith. In some places where they had made good bridges according to standards, they destroyed them because those in charge had not paid them and had criticized the people for not building according to the standards even though these officials had supervised the construction. In addition the buses picked up full loads of passengers at the beginning of their trips, and people along the route who wanted to get on were refused by the bus officials, who did not give the reasonable explanation that the bus was full and that they should wait for the next trip. The next stop they did the same thing. This made the people unhappy. In some places they put tree trunks or big rocks in the road to block the bus. They said sarcastically that it was not their bus but the bus of the people of Et District. This was the opinion held from Ban Sop Mon Village to Ban Sop Hao Village, and this section of the road was worse than the rest.

There was a good side to the trip and that was that in each village along the Ma River the people had stores selling ready-made goods, forest products, and agricultural tools

which the people had produced for their own use. There were food and drink stalls. The drink was mostly beer and sweetened drinks produced in the PRC which was sold in large amounts from the small stalls. In addition there was government-produced medicine and local medicine of many kinds. All this provided the people with a normal standard of living. Of particular note the local administration mobilized the people to clear new wet-field rice land and improve the irrigation ditches so that they could carry much more water to the fields. This was done to reduce the forest destruction associated with shifting agriculture and to change to wet-field rice cultivation and growing fruit orchards. Some villages had naturally flowing tapwater provided with the assistance of the World Health Organization.

What the people need now to improve their standard of living is a rice mill so that the women would not have to pound the rice in mortars. They would also like a highway equivalent to the one in Xieng Khouang Province which ran from Phone Savan to Phou Lao Mountain and the Nam Neun River. They said that other provinces had done this sort of thing and asked why Houa Phan Province, which was the base for the revolution and had been given the title of hero province, could not do it. It certainly could! All that was needed were the funds, the labor, and the expertise. [passage omitted]

MADC Debts, Trade Problems

92SE0220A Vientiane PASASON in Lao 2 Apr 92 pp 1, 2

[Text] The responsible individuals at the Mountain Area Development Corporation [MADC] of the Ministry of Defense told PASASON reporters recently of a significant problem they could not correct. It involved the repayment of old debts to various sectors involved with the MADC which made it impossible to pay the salaries of the cadres and workers of the corporation on time.

It turned out that this problem involved overdue debts from the bartering of goods with the Soviet Union in the years from 1986 to 1990. The transactions involved the exporting of many thousands of cubic meters of wood products. This was done in the name of our government which handed over responsibility to the MADC for purchasing vehicles, machinery, and necessary spare parts from the Soviet Union. These goods were worth U.S.\$4 million or 2.8 billion bank kip and have arrived in Laos. They were under the control of the Lao Import-Export Corporation which has not handed them over to MADC. Therefore [MADC] felt that they should request the state inspection committee for accounting and debt payments to help solve this problem. In addition there were debts incurred from investments in state projects and various projects to build political grass-roots in localities which amount to 2.5 billion kip. These liabilities have not been repaid to the MADC appropriately.

This situation has created great difficulties for the operations of the MADC. According to plans for 1992 MADC officials will make payments for debts to many sectors both

domestic and foreign. What is more serious is that the salaries of MADC cadres and workers have not been paid for 8 months.

Subversion in Xieng Khouang District, Civilians Moved

*92SE0220F Vientiane KONGTHAP PASASON LAO
in Lao 12 Mar 92 pp 3, 4*

[Article by Boualapha Thindoi: "Kham District on the Way to Security"]

[Excerpts] Kham District is a district many kilometers northeast of the town of Phone Savan. It consists of five cantons, 133 villages, 5,200 families and 34,000 inhabitants among whom there are more than 300 foreigners. [passage omitted]

Particularly because of the location and the population make-up of this district, in the past hostile groups have used every method to cause unrest here. They have used propaganda to distort the policies of the party. They have slandered the new changes. They have taken advantage of cadres who were not steadfast to break up the ranks of cadres and government employees using various means. They have incited some of the youth to undertake illegal and disorderly actions. [passage omitted]

The person in charge of political activities at the military headquarters of this district told our group of reporters that in 1991 the guerrilla network was improved by the local

administration and people. The network was made satisfactory with regard to its organization - each guerrilla company is now led by a party cell. Although in the past year Kham District was not a district where hostile groups used armed force or conducted vigorous operations, nevertheless because of their awareness of and because they followed the gist of the resolutions issued by the committee for public security concerning making public security activities extend throughout the people and to all areas, the guerrilla network in all locations worked to improve quality by having many guerrilla teams train in strategy. Each guerrilla company conducted operations to inspect its area of responsibility closely and kept track of those entering and leaving carefully. [passage omitted] In another area the local administration worked with various mass organizations to move 200 people from an unstable area to a peaceful area. In addition the guerrilla units coordinated with the armed units of localities and a number of the central government units to conduct operations to inspect for and block bands of robbers and groups conducting hostile operations. They coordinated with various organizations to support the movement to get down to the grassroots in order to train the people to understand the policies of the party and to distinguish friend from foe. This allowed Kham District to have a new cultural drive which was improved, it assured a basic level of peace, and it blocked the movement of youths engaged in hostile activities. The people became devoted to the administration. They united to take part in drives to build the economy and joined in with public security activities.

POLITICAL

Columnist Favors Diminished U.S. Role in Region

92SE0224C Bangkok *BAN MUANG* in Thai 13 Apr 92 p 2

[Column by Kitiphat Thaotho]

[Excerpts] After Thailand's 19th prime minister was nominated, politicians who had initially expressed opposition to his appointment and who had thought about banding together to form a government, finally showed their spirit and expressed congratulations as required by etiquette. They did that after expressing their opposition to having a neutral prime minister. And there was opposition to the action taken by the United States.

I was worried and didn't think that he would give in. What I wondered was, if he stood his ground, how would he deal with the fact that the the United States had refused to recognize him?

The reason why Mr. Narong Wongwan, the leader of the Justice Unity Party and the person nominated to form a new government, has withdrawn his name is that he is afraid that this will affect relations with the United States. This is because, prior to this, the United States refused to issue him a visa. But as far as I know, only the United States has done that. No other country has refused to issue him a visa.

Even though some people have charged that by doing that, the United States is interfering in the internal political affairs of Thailand, the United States has indicated that it will not change its position on issuing a visa to Mr. Narong either now or in the future. However, the United States believes that the Thai people have the right to elect whom-ever they want as prime minister. But at the same time, the United States insists that it has the right to decide whether or not to issue a visa.

The United States is Thailand's largest trading partner. Each year, we sell billions of baht worth of goods to the United States. But if the new prime minister can't travel to the United States, how will we be able to negotiate matters, including trade issues? We don't have any other means, or are we going to stop trading with the United States?

This problem has stumped Mr. Narong. The political parties that had initially expressed support for him have retreated and asked him to withdraw his name so that someone else recognized by other countries can become prime minister.

This is an example of the influence wielded by other countries on our internal political affairs. Even though they have not exerted influence directly, they have done so indirectly. Such things are unavoidable as long as Thailand refrains from implementing a policy isolating itself both politically and economically and considers itself to be a part of the world community. Only if Thailand becomes a super power will we have great bargaining power and become fearsome in the eyes of other countries.

The influence of the super powers, particularly the United States, has not declined in this region. This is true even

though the Cold War has come to an end, the Soviet Union has collapsed, and a Cambodian peace accord has been signed. [passage omitted]

Thailand, which once allowed the United States to use air bases from which American aircraft could fly to bomb Vietnam, has not expressed a position on this matter. But MR [royal title] Sukhumphan Boriphat, a security adviser to the previous government, has said that relying on foreign power is just a short-term solution. For the long term, we should build trust with our neighbors and begin negotiating with Cambodia, Laos, Vietnam, and Burma.

Stated simply, we must practice breathing on our own instead of relying on others. We must start depending on ourselves and gradually reduce the role of the United States.

Senior Foreign Ministry Official Profiled

92SE0224A Bangkok *DAILY NEWS* in Thai 5 Apr 92 p 5

["DAILY NEWS Square" column by Nanthana]

[Excerpt] [passage omitted] Today, I would like to introduce readers to the 44-year-old director-general of a foreign affairs department.

This young woman, who is both knowledgeable and attractive, is the director-general of the Europe Department, Ministry of Foreign Affairs. It can be said that it is a rarity for a woman to serve as a director-general in this ministry. Her name is Suchitra Hiranphruk, and her nickname is Noi. She is 44 years old (but she refused to tell us when she was born, fearing that someone would cast her horoscope). She is the third of the five children of Dr. Suchit Hiranphruk, the former secretary to the minister of finance, Chot Khanakasem, and Kanya Thiansawang, the first Miss Thailand. Her old sister is Sukanya Himmanmoen, and her older brother is Thinkon Hiranphruk. She has two younger brothers, Suwicha and Suchat.

Her mother died when she was still a child. She attended the Pathumwan Demonstration School. Later, she attended Douglas College in the United States. She earned her B.A. degree from Rutgers University. After returning to Thailand, in 1970 she went to work as a Grade-2 lecturer at Chiang Mai University. She was appointed third secretary with the Ministry of Foreign Affairs in 1982.

During the period 1978-1982, Noi served as the first secretary of the permanent delegation to the United Nations Office in Geneva. During the period 1985-1989, she served as an advisory envoy at the Thai Embassy in Tokyo. In 1989, she was appointed deputy director-general of the International Affairs Department. In 1990, she was appointed an ambassador attached to the ministry. Most recently, on 26 February, she was appointed director-general of the Europe Department, the first woman to hold this position.

I did not dare ask her why she has not married even though she is very attractive. She seems to be content to travel in the provinces with friends and doesn't think about getting married. [passage omitted]

Secretary General Khosit Profiled

92SE0226B Bangkok MATICHON in Thai 14 Apr 92 p 22

[Article by Duangta Wannasin]

[Text] While politicians and political parties are fighting to form a cabinet with General Suchinda Khraprayun, Mr. Khosit Panpiamrat has already been appointed to the position of secretary general to the prime minister. If you ask what drew Gen. Suchinda's attention to Mr. Khosit, the answer has to do with the fact that he is an academic who is "close to the ground." And if you ask what made him this type of academic, the answer is that he has a "financial" background. This refers to the fact that he does not live in an "ivory tower" but is deeply aware of the realities of Thai society, that is, he has been involved at the "grass roots" level, meaning the rural areas.

It can be said that in Thailand, no academic has as much information on the rural areas of Thailand or has as good a grasp of the realities as Mr. Khosit Panpiamrat. A third reason is that he is an author. This is a very interesting reason.

Mr. Khosit was born in Bang Lamphu on 28 May 1943. He is an alumnus of Saint Gabriel School and a "Black Lion" of the Faculty of Law, Chulalongkorn University. He was awarded an honorary degree in finance in 1963. His grandmother gave him money to study in the United States, where he earned an M.A. degree in economics from Maryland University in 1965.

After returning to Thailand he worked as an economist in the Economic and Social Planning Division, Office of the National Economic and Social Development Board, during the period that Dr. Sanoh Unakun was the division chief and during the time of Mr. Prayat Buranasiri.

After serving as head of the Finance and Monetary Planning Section, he was appointed head of the General Planning Section. In 1972, during the time that Mr. Renu Suwannasit was the secretary general, he became an expert attached to the World Bank, a position that he held for two years. That gave him a chance to learn about the rural areas of the world.

"I was assigned to Washington, D.C., but I did a lot of work in Bangladesh. Bangladesh had just split away from Pakistan. The World Bank established a new department, the Bangladesh department, and I was assigned to that department. My main duty was to fly back and forth. In a year, I was at home in Washington only about half of the year.

In 1974, when Dr. Sanoh Unakun became secretary general of the National Economic and Social Development Council, Mr. Khosit gave up his \$1,500 a month job with the World Bank to become the assistant secretary general. That is when he first became involved in work having to do with the rural areas of Thailand.

"I did a lot of traveling within the country at that time, because I wanted to see things and learn. I did not simply observe things. I also read books on the rural areas of

Thailand and then went and observed things. My feelings then were that what I had read did not match what I was actually seeing."

The year 1986 had great meaning for Mr. Khosit. Dr. Krut Sompantsiri, the secretary general of the National Economic and Social Development Council, who had replaced Dr. Sanoh Unakun, who had been appointed governor of the Bank of Thailand, appointed Mr. Khosit director of the Economic Studies and Information Division.

"Actually, this division prepared publications. It was not an important division. My main job was to prepare economic and social journals. We prepared publications on the economic situation and development reports. Because of this, I had a chance to see the rural areas."

At first, he studied matters at the regional level. But that did not satisfy him and so he conducted more detailed studies at the provincial level. It was during this period that the spirit of the reporter "Khian" [Writer], who had competed against Dr. Pricha Piamphongsan when they were students at Saint Gabriel School, returned once again. Actually, Mr. Khosit was not a newcomer to the writing and publication business. He had been a writer for PRACHATHIPATAI during the time of Narong Ketuthat. And he served as the foreign economics editor for CHATURAT, a journal belonging to Phansak Winyarat. Together with Mr. Niphat Phukkanasut, he wrote an economics column for BANGKOK WORLD, using the pen name Nisit, which was derived from the names Niphat and Khosit. He has long written a column using the pen name Wattanaphot for the newspaper THAI RAT. He was asked to write this column by Tun Sirikunphiphat.

His writings have been compiled in several books. A book that has sold very well is *Chonabot Chin* [China's Rural Areas]. One of his most frequently cited books is *Chonabot Thai: Khwam Kao Na and La Lang* [Thailand's Rural Areas: Progress and Backwardness]

Thus, he is a financier who is interested in the rural areas. He is a scholar on rural areas who loves to read and write.

"I read everything except textbooks. I have read *Chin Kamlang Phai Nai*, *Phon Nikon*, and *Kim Nguan*. I read *Sua Bai*, *Sua Dam* when I was still a child. And I have read books in English. Because I have read so many books, I know that to improve our language, we must read a lot."

Suchinda Office Secretary General on Background

92SE0226C Bangkok NAO NA (LOK THURAKIT SUPPLEMENT) in Thai 13 Apr 92 p 7

[Report on interview with Prime Minister's Office Secretary General Khosit Panpiamrat]

[Excerpts] [passage omitted] This 49-year-old man who likes the taste of 555-brand cigarettes and Black Label scotch mixed with soda and who drinks countless cups of black coffee every day talked with a reporter with a look of happiness, unable to conceal his excitement at being one of the members of the Anan Panyachun cabinet to be selected to work with the new administration. He is not sure how

long he will stay even though he has won people's trust and been appointed secretary general to Big Su.

"I never thought that I would be appointed to this position," he said. He talked about the events that caused him to become involved in politics again. At approximately 0700 hours on 8 April, an aide to General Suchinda called him and asked him to meet Gen. Suchinda at the conference room at Army headquarters. When he received the telephone call, he was just having his first cup of coffee of the day.

They talked for more than an hour. The prime minister asked him if he was ready to carry out the duties of this position and called on him to help him. It did not take him long to decide to accept this position without any conditions. The prime minister gave him the honor of picking his own team, which meant that he could choose the deputy secretary general to the prime minister. He has approached Dr. Bunyarat Ningsanon, the secretary general to the deputy prime minister, Sanoh Unakun. Dr. Bunyarat has agreed to help him. He has not yet decided whom to pick for the other position.

The new acting secretary general said that actually, he almost became the secretary general in the Anan government. But at that time, Prime Minister Anan gave him a choice of serving as either the secretary general or the deputy minister of agriculture or industry. In the end, he chose to work in the Ministry of Agriculture, because he thought that that would give him a chance to help the poor farmers in the rural areas. During the time that he worked at the Development Council, he had monitored agricultural policy.

"I knew a lot about this, because before I accepted the position in the Ministry of Agriculture, I had written a book, *Plan To Revive Agricultural Production*. This was a pilot plan that would allow the farmers to set their own course. Thus, I wanted to bring this plan to the attention of the farmers. I didn't want it to be an 'ivory tower' plan. I had to become involved myself. I also wanted to implement various plans that I had conceived during the time that I served with the Development Council. I wanted to implement them. I can say that during the first six months that I served as deputy minister of agriculture, much was accomplished."

He was asked if he is disturbed by the fact that he has had to become involved in politics again. In particular, things are very difficult this time, because he has to work with real politicians, including many soldiers. He was asked, In view of the fact that you are an academic, will you be able to play this game and bear the pressure? "There won't be any problems if we are honest and don't let interests interfere," said the acting secretary general. He added that his only function is to coordinate things in order to ensure that the work of the prime minister goes smoothly. He is not involved in policy making in any way and so there shouldn't be any problems in working with politicians.

"The important thing is that in working for the prime minister, I will be involved only with economic issues. I won't become involved in political issues. That will be the job of the political parties in the government. Someone

suitable in the Government House must be found to do that work. I am confident that I can help the prime minister on this front. As an academic, I will use my knowledge and expertise, particularly on the financial front, which is the field that I have been working in for a long time. What interests me and what I can do to help in this administration is to give advice on international economic matters and rural development. I want to improve the lives of the poor farmers so that they have a chance in life.

"At the beginning of my career, I was assigned to the World Bank in 1962. I worked for them for three years before Mr. Sanoh Unakun asked me to go to work for the Development Council. As far as financial affairs are concerned, I am sure that I will be able to coordinate things with Mr. Suthi Singsane, who has agreed to serve as acting minister of finance. It's fortunate for this government that Mr. Suthi has agreed to serve in this position again, because he is a legend in Thai finance who is prepared in all respects, including monetary restraint and correct fiscal policy. And if the new government proposes something having to do with the Ministry of Agriculture, such as the Agricultural Council Act, I am prepared to coordinate things."

However, the acting secretary general admitted that his job will be frustrating in some respects, because he is used to playing a role in setting policy. But in his present role, he will be responsible only for coordinating things. But once you have climbed aboard the ship, regardless of the policies implemented by the government, you have to adhere to those policies. And he will be very happy if the work that he coordinates benefits the people and is proper without any hidden agenda. If the politicians who are administering the country share the goal of trying to benefit the country as a whole, he is sure that he will be able to get along with them.

After the acting secretary general finished talking about this, another question that came to mind was how long he would stay in this position, because the Suchinda government has been harshly criticized by many groups. Many people have said that this government won't last more than six months. If the government falls, the secretary general will have to leave, too. Concerning this, he said that he adheres to the motto "begin easily, continue easily, and finish easily." He said that he doesn't worry about the future. At present, all he is thinking about is his work and how to do the best job possible.

"I will return to writing as soon as I have a chance. I love writing and consider that to be my second job. During the first year that I worked for the Ministry of Agriculture, I did not have a chance to do any writing. I don't know how long it will be before I again have a chance to do some writing," said the acting secretary general about the future if he has to leave this position.

"Or I may return to the Development Council," said the acting secretary general about his future if he has to leave this job. He said that he had met with the secretary general of the Development Council on 10 April, who indicated that he would keep a position open for him. But not his old position as deputy secretary general. He offered him a

position as an academic 10. But he told him that that "depended." He did not promise to return in the future.

But the acting secretary general expressed sadness at having to leave the Development Council, where he worked for more than 26 years. And he has only 11 years and five months left before he retires. Because of this, he feels "weightless." This is probably how the new prime minister feels, who had to resign from his position as a regular government official to come and work for the country as a whole. This feeling must be overcome. [passage omitted]

He also expressed unhappiness with his salary. Prior to taking this position, he received a salary for serving as the acting deputy minister of agriculture and the deputy secretary general of the Development Council and for serving as a Senator. Altogether, his salary totaled more than 100,000 baht. But now that he has left his position in the Ministry of Agriculture and resigned from the Development Council to engage in political work, he will receive only his salary as the secretary general to the prime minister. And he will not be able to receive money for serving as a senator, because regulations prohibit that.

Chamlong Writes Open Letter to Suchinda

92SE0225A Bangkok DAO SIAM in Thai 15 Apr 92 pp 1, 8

[Excerpt] [passage omitted] Dear Suchinda, before saying anything else, I want to say that I am still the same. I am still personally fond of you, and I still have great respect for Class 5.

When parliament opens on 16 April, I will wear black, not because I am in mourning for you or because I want to curse you and not because I think that there is someone better than you. What is the "KRP" and where did it come from. I have never been close to them. If they asked me to put on mourning clothes, I wouldn't do it.

I want to express my sadness over the fact that the moral precepts have been trampled on by people close to you, with the result that you have introduced a new value in Thai society, "break one's pledge on behalf of the country." That clearly goes against religious principles, particularly Buddhist principles. I would like to cite a passage from the Tripitaka: "Those who lie can't help but do evil." And I will remember the following until I die: "It's better to lose your life than your integrity."

There are many people who cannot accept your new motto, "break one's pledge on behalf of the country." I oppose your way of thinking and your principles. I don't oppose you personally. The prime minister must set an example for the people of the entire country. If the prime minister makes such statements and acts like that and the people follow his example, society will deteriorate.

I don't know if other MPs, including Chiu [Gen Chawalit Yongchaiyut], will wear mourning clothes. It won't embarrass me to be the only one wearing mourning clothes.

Dear Su, your name has probably already been inscribed in the military academy's hall of honor. Tui has played the main role in this at the instigation of Wanchai Ruangtrakun during the time that he was the deputy RTA CINC [Royal

Thai Army Commander in Chief]. We have tried to model our academy on West Point. But ours is not like theirs.

West Point alumni whose names have been inscribed in the hall of honor there are all world-famous military commanders. Some of them have been both soldiers and senior politicians. But they were elected to political office by the people of the entire country. One example is General Eisenhower.

There are too many sycophants. In particular, on the day that you took office, your subordinates were busy "setting the stage." Television broadcast many pictures. As viewers watched this, they began to feel "sick." The longer they watched, the more they opposed you.

Don't believe those who tell you that you have become prime minister just like Gen. Prem. If you listen to that flattery, you may think that because he was prime minister for eight years and five months, you can easily serve a four-year term.

I held the position of secretary general to the prime minister during the Prem administration. I can assure you that the situation today is very different. Twelve years have passed since then. The idea of having a neutral person serve as prime minister is now outdated. Russia, the giant of the communist camp, was unable to withstand the tide of democracy. How can Thailand, which is a very small country, hope to go against that tide?

The day that Prem took office, I sat with him at his Sisao home. He was very worried and said to me, "Chamlong, how long will I survive as prime minister, because I am not prepared?" I immediately responded by saying, "You will survive if you maintain your integrity." (If Prem reads this, he will remember that that is what I said.)

The position that you now hold is a matter of luck, but that is luck that leads to suffering. Even before you became prime minister, there were people who opposed you. Now that you have become prime minister and have full power, the opposition to you will continue to grow to the point where you won't be able to withstand it. And this does not include all your fellow military officers who oppose what you have done. Phat, the leader of Class 1 and, like you, an artillery officer, opposes this. So does Chiu, who appointed you to various positions. I, who was two years behind you at the academy, used to admire you very much. But now, I, too, oppose what you have done. I will probably cause a lot of trouble for you, because I don't want you to serve as prime minister like this. I and many others don't want the situation to get out of hand.

The expression "don't harm your subordinates, don't accuse your superior, and don't betray your friends" is an expression that George [Gen. Sunthon] used to use all the time. Unfortunately, the word "don't" will probably have to be removed from that expression. That is the word that we have clung to ever since we were first commissioned as officers.

In any event, you must form a government. But the government that you have formed will "kill you." Most of those in

line for ministerial positions are people whom the people are tired of. And there have been reports that people whose assets were seized are going to be appointed minister again. Don't you feel any pity for Air Chief Marshal Sitthi, your old boss? You asked him to suffer as the chairman of the Assets Investigation Committee and then asked people whose assets have been seized to serve as minister. What do you want? The important thing is that since the formation of the government, the people have lost faith and become fed up.

The parties that support you hold a majority by only 15 votes. The passage of important bills or the budget deliberations could be thrown into confusion at any time. In order to compromise so that your administration can remain in office, you may have to set up a logistics unit or ATM booth in parliament and give full service to those MPs [member's of parliament] thinking about splitting away. And you will have to use threats. You will have to threaten to dissolve parliament or threaten to stage a coup. Where are you going to get the money to provide such services? And threats will work only at the beginning.

With the best of intentions toward you, I would like to suggest that you serve as prime minister for only a short period. You should look for a way to step down, not for yourself but for the country. Stepping down will be easier than taking that position. You won't lose your integrity, because you never promised anyone that you would serve as prime minister to the end.

Now that I have written to you, I feel better. Regardless of what happens to you or to the country, I have done my duty. I have warned you in my position as a member of a junior class, and I have given suggestions to my prime minister as a citizen of this country.

Sincerely,

Major General Chamlong Simuang

14 April 1992

Biographic Notes on Cabinet Officers

92SE0237A Bangkok KHAO PHISSET in Thai
17-23 Apr 92 pp 14-23

[Excerpts] [passage omitted] **Air Chief Marshal Praphan Thupatemi, the deputy prime minister. Te steps in and bars Big Sun.**

A short but very interesting biography states that Air Chief Marshal [ACM] Praphan served as the RTAF CINC [Royal Thai Air Force Commander in Chief] during the period 1983-1986. He was the boss of Big Te, ACM Kaset Rotchananin, the present RTAF CINC and supreme commander. Big Te has great affection and respect for him, because when he retired from the military, he took steps to have ACM Kaset appointed RTAF CINC. But General Prem, who was the prime minister and minister of defense at that time, stepped in and had ACM Woranat Aphichari appointed RTAF CINC instead. It's said that ACM Praphan smoked one cigarette after another out of frustration. Because in the past, he himself had been appointed RTAF CINC in a

similar manner. At that time, the leading candidate for this position was ACM Arun Phromthep, not ACM Praphan.

After the crisis at Don Muang, he continued to support Big Te. Whenever problems arose, he provided financial help. Now, his former subordinate, who now holds a senior position in the air force, has had to repay his old boss in accord with Thai traditions. It's said that before ACM Praphan was appointed deputy prime minister for security in the Suchinda government, another candidate for this position was Big Sun, Gen. Athit Kamlang-ek. Perhaps the events surrounding the coup of 23 February continued to spook the leaders of the coup. I don't know. But Big Sun was one of the reasons for the formation of the National Peace-Keeping Council. Thus, when Big Sun's name was mentioned for this position, the word "doubt" arose. Thus, in the end it was the former boss of Big Te who was appointed to this position.

Wiraphong Rammakun, minister attached to the Office of the Prime Minister. Krong, the son of a farmer but detested by elected officials.

He was born on 1 August 1943 and is now 50 years old. He is the son of a farmer and so he has been called "the farmer's mortar," because his nickname is "Krong." He earned his B.A. degree in political science from Chulalongkorn University and then obtained his M.A. and Ph.D. in economics from Pennsylvania in the United States. After returning to Thailand, he became an instructor at Chulalongkorn University. Later, he served as the dean of the Faculty of Economics.

He is one of the best economics, finance, and monetary technocrats in the country. Because of this, he has held several positions having to do with financial and monetary matters. He served as an economics adviser to Gen. Prem throughout the period that Gen. Prem served as prime minister.

He was a favorite of Gen. Prem, who called him "Krong." His economic policies emphasized frugality and stable economic growth. One of the things that caused quite a stir during the time of Gen. Prem and that is still talked about today is that he was a key man in "devaluing the baht" in 1984. That angered senior people in the military such as Gen. Athit Kamlang-ek, who went on television to denounce the policy of Krong, in effect criticizing Prem. That crisis is known as the "Loi Krathong crisis," because the day that Big Sun went on television happened to be Loi Krathong [an annual festival].

After Gen. Prem left office, Krong became the head of the macroeconomics department at TDRI. He then served as an adviser in formulating an economic development plan for Laos. But then the Chatchai government began experiencing problems. Many politicians accused the government of being corrupt. Pramuan Saphawasu, the finance minister at that time, was removed from that position and made deputy prime minister instead because of the controversy over high oil prices. The Ban Phitsanulok advisers, including "Tong," Kraisak Chunahawan, and Dr. Surakiet Sathianthai, asked Krong to return from Laos and take the position of finance minister. When he accepted this position, many thought

that he was too subservient to Ban Phitsanulok. But he managed to accomplish several important things. He refused to lower the excise tax or interfere in the work of national bank. And the thing that shocked medium-sized and small businessmen was his decision to raise the ceiling on loan interest rates to 19 percent and on savings deposit interest rates to 12 percent. That displeased Deputy Prime Minister Pramuan, who complained that action had been taken without the agreement of the deputy prime minister for economic affairs. Krong was constantly buffeted by this political storm. People wanted him removed from his position, but Gen. Chatchai refused to fire him.

In one respect, the path taken by Dr. Krong is similar to that of Michai Ruchuphan in that he remained above the conflicts. Thus, after the National Peace-Keeping Council took power, he was appointed deputy minister of finance in the Anan government. Kraissak Chunhawan made a sarcastic remark about Minister Krong, who had been reduced in rank from minister during the Chatchai administration to deputy minister during the Anan administration, saying: "When Krong was finance minister during the Chatchai administration, he felt uneasy at having to serve in an elected cabinet and didn't like having to respond to questions posed by MPs [member's of parliament], who criticized him harshly. He went through a psychological crisis. But now that he has been appointed deputy minister following the coup by the National Peace-Keeping Council, he seems to be in better spirits. This shows that his ideals lean toward authoritarianism. Relying on those with power to rule the country makes him feel more comfortable. He wants to have a position and appear in the magazine HIGH CLASS."

Whether or not he is authoritarian, when Prime Minister Suchinda asked him to come see him on 9 April, Dr. Krong immediately agreed to help the Suchinda government on the economic front, because the prime minister knows very little about economics. This is the political method of Krong, the son of a farmer, who is detested by elected politicians. [passage omitted]

Narong Sisa-an, deputy minister of finance. From clerk to finance minister.

He was born in 1929 and is now 63 years old. He is just one year younger than Suthi Singsane, the minister of finance. He has been very successful in his life and in business even though he did not study beyond the level of lower secondary school. He completed lower secondary school at Thepsirin School in the same class as MR [royal title] Ahanatsi Sawatdiwat. After leaving school, he worked as a clerk for the Thai Chamber of Commerce. During the Second World War, he created quite a stir when he suggested that the government of Field Marshal Phibunsongkhram sell rice to the United Nations for a profit. That made a profit of 3 million baht, which was a lot of money at that time.

Senior people in the Thai Chamber of Commerce saw his talent and sent him to study at the City of London College. But he did not graduate, because his first child was born at that time and he had to return home to help raise his child. Around that time, Chulin Lamsa offered him a job with the Thai Farmers Bank, and he accepted. He is one of the

"old-timers" at the Thai Farmers Bank and is a very talented banker. In 1987 the magazine KAN NGOEN KAN THANAKHAN named him Banker of the Year as a professional banker who had climbed his way up from the bottom to become a senior banker.

Besides this, he has close ties to the CP [Ccharoen Phokphan] group. It's said that Narong was the person who paved the way for CP, enabling this company to become the giant that it is today. He is also close to Narong Wongwan, the leader of the Justice Unity Party. And because Narong Wongwan is close to Gen. Suchinda, he is also connected to Big Su through Narong Wongwan. Members of the Justice Unity Party have told the party leader that "this man can help us a lot" because of his experience and talent in the field of economics. Thus, he has been asked to help Big Su on the economics front.

Gen. Chatchom Kanlong, deputy minister of defense. "This must be considered very carefully."

He is a member of CRMA [Chulachomklao Royal Military Academy] Class 5, the same class as Prime Minister Suchinda. He had never played a major role before. But following the coup of 23 February 1991, he was appointed chairman of the committee to sift through the 3 million telephone numbers, or CP telephones. Thus, he was one of those involved in this who was constantly besieged by the mass media. He was constantly hounded by reporters to the point where he became even leaner than he was before.

He created another stir just before Big Su agreed to become prime minister. In an interview, when asked if Gen. Suchinda should become prime minister even though he was not elected, Gen. Chatchom said that "this must be considered very carefully." After Big Su, who is both his friend and his boss, decided to accept the position of prime minister, he talked with the mass media about helping his boss by serving as the deputy minister of defense. He answered very "carefully" by saying that, actually, he wanted to stay in the military. But if Big Su asked him to help, he was ready to help. Now that he is deputy defense minister, he will probably consider several other matters very carefully, particularly the matter of military promotions.

Air Chief Marshal [ACM] Anan Klintha, minister of interior. "I don't want this position, but I must accept it because it is necessary."

He was born on 19 June 1933 and is now 59 years old. The highest position that he held in the military was deputy RTAF CINC. His life changed when the National Peace-Keeping Council took power. He had to serve as the deputy minister of interior in the Anan government. When the provisional government left office, he intended to return to the military and hoped to retire as a military officer. But that didn't happen, because senior people tapped him for the position of minister of interior in the Suchinda government. It's said that this stemmed from the fact there were political problems within the air force. Thus, he was picked for this position in order to "clear the air" at Don Muang and make it easier to promote people within the air force.

The person who exerted pressure is a general named "Su," but it wasn't Suchinda. He feels uneasy at having been pressured to accept this position, a position that politicians dream about. But Big Anan had to accept this position. He has stated quite frankly that "I don't know where they will drive me." Even Gen. Prem had to face this. Big Anan confronted people directly during the crisis at Dong Muang (see the details in this issue). This position should not go to a politician, because it concerns "security matters." Thus, the National Peace-Keeping Council chose a person from within the National Peace-Keeping Council who is outside the political system. He was advised to take the position.

Police Lt. Gen. Wirot Pao-in, deputy minister of interior. "From the godfather of Bangkok to the interior mafia."

He is a member of CRMA Class 5, but like Police Gen. Bunchu Wangkanon, he decided to become a police officer. The highest position that he held in the Police Department was commissioner of the Metropolitan Police. He was known as an honest policeman who achieved outstanding results. But he was criticized during last year's reshuffle, because "by chance," several members of the Pao-in family were appointed to important positions in the Police Department. These criticisms probably wouldn't have been too harsh if this hadn't occurred after Class 5 and the National Peace-keeping Council took power. The National Peace-keeping Council appointed him as one of the 25 members of the Osathaphit team, the committee to revise the draft constitution, second round. The results of their deliberations were very pleasing to the National Peacekeeping Council.

Inside sources say that he was free to come and go at both the home and office of the former minister of interior, Big Tui. He kept Big Tui informed on what was happening in the Police Department. As a result, some police generals who were also members of Class 5 did not dare go see Big Tui at his home or elsewhere. Then, another classmate, Big Su, had to "break his promise for the good of the nation," and so he had to leave the military to help his friend and the country.

As for his nickname the "godfather of Bangkok," he got that nickname because of his resolute crime suppression policy. He once said that "if a criminal shoots a policeman, he should be killed." Thus, one reason for the decline in crime in the city is that the criminals were afraid of him. But now, it seems that his nickname will have to be changed to "Interior mafia" now that he has been appointed to this position. [passage omitted]

Wira Pitarachat, deputy minister of interior. "Friend of Big Su from Amnuaisin School."

This is another person who has been tapped for the position of deputy minister of interior. He is a graduate of Amnuaisin School, the alma mater of Big Su. He was appointed governor of the Provincial Electricity Authority in 1984. After the National Peace-Keeping Council took power, he was one of the 25 people charged with helping to draft the constitution. And he served as the spokesman for the Osathakosin team, with the result that he had to bear the

brunt of the attack. After 23 February, police and military generals were appointed to the committee. And then his school classmate was appointed the 19th prime minister. As a result, he was asked to serve as the deputy minister of interior. Even though he came under much criticism last year when the constitution was being drafted, it was worth it.

MR [Royal title] Pridiyathon Thewakun. "A new star has burst forth and may overtake Krong."

He is now 45 years old. He was an excellent student, earning a degree in economics from Thammasat University and placing first in his class. He then earned an M.A. degree from Pennsylvania, the alma mater of Dr. Krong, an older technocrat. He held the position of senior deputy manager of the Thai Farmers Bank. He is not arrogant even though he has a royal title. His friends prefer to call him Mom Uai rather than Khun Chai.

His first political position was that of spokesman in the Chatchai 2 government. And he quietly gave financial and monetary advice to the Ban Phitsanulok team. He became a spokesman for Gen. Chatchai because of his close ties to a person on the Ban Phitsanulok team, Mr. Phansak Win-yarat. When the Chatchai government was ousted by the National Peace-Keeping Council, he was appointed deputy minister of commerce in the Anan government. He created a stir when he clashed with At Taolanon, a CP man who had been appointed deputy minister of agriculture. Many people breathed a sigh of relief, because he prevented CP from gaining a monopoly on the country's agriculture.

Mom Uai is considered to be bright star and so he was asked to help with the economic work of the Suchinda government, because the prime minister does not know very much about economics. In the future, if he continues to achieve results, he could easily outshine senior technocrats such as Dr Krong.

Introduction to Other Stars:

Besides the 10 ministers introduced above, there are two other people who should be mentioned:

Thinphan Nakhata, Chief Adviser to the Prime Minister

He has a Ph.D. and is one of the people who strongly encouraged Big Su to break his promise for the good of the country. He is a moral person who has studied the Buddhist teachings in depth. He is a political scientist and an expert in the field of public administration. Those who know him well say that at first, he was not at all happy with the military and so he resigned his commission when he was a captain. He is a scholar who was once very progressive in his thinking. He once belonged to the same group of thinkers as Chai-anan Samutthawanit. In 1982, the Association of Thai University Researchers held a seminar on the topic "Thailand in the Next Decade, 1982-1991." Chai-anan, Thinphan, and several others presented papers at that seminar. That seminar was attended by an interested person outside the academic world, then Colonel Suchinda Khraprayun. Thinphan has always been a very "extreme" person. That is, in the past, he was extremely liberal. But later on, he became

extremely authoritarian. Psychologists have said that the reason for this may be that he became disillusioned by the power of Thai politicians in a democratic system in the same way that Dr. Somkiat On-wimon became fed up and turned to the military. Some Thai political historians have observed that he could become another Luang Wichit Watthakan if Suchinda becomes another Field Marshal Phibun. You can call him an extremist, a "turn-coat," a Luang Wichit Watthakan, a Machiavelli, or whatever else you want, but he is now an adviser to Prime Minister Suchinda. [passage omitted]

Minister's Party Changes, Links to Kamnan Po

92SE0226A Bangkok MATICHON in Thai 9 Apr 92 p 22

[Article by Duangta Wannasin]

[Text] Now that Mr. Narong Wongwan has withdrawn from his positions as [acting] prime minister and minister of agriculture and cooperatives, the name Somphong Amonwiwat has suddenly come to the forefront. This is the rise of an economist from Curry College in Boston in the United States, who may well become minister of agriculture and cooperatives. This will give him a chance to do what he has been saying for a long time:

"The first thing that we must do is solve our economic problems, strengthen the country's security, and improve our relations with other countries. The most important thing is that politics must be democratic." (Person of the Day, July 1988)

Actually, Mr. Somphong Amonwiwat is not a new face in the cabinet. People may remember that when the Solidarity Party joined the government near the end of the administration of General Chatchai Chunhawan, among the "buffet cabinet" was Mr. Narong Wongwan, who held the position of minister of agriculture and cooperatives. And Mr. Somphong was one of the deputy ministers of agriculture. But he had to leave office in the wake of the coup staged by the National Peace-Keeping Council on 23 February 1991.

Mr. Somphong is the son of Mr. Siri and Mrs. Sinchi. He was born on 3 July 1941 in Bangkok. Altogether, he has nine brothers and sisters.

"Yes, I have many brothers and sisters from the same father and mother. Police Gen. Sawat Amonwiwat is my older brother. Police Major Gen. Sombat Amonwiwat is the second youngest of all the children. An older sister of mine, Somthawin Bunyopatsatham, is the wife of Lieutenant Gen. Thanaphon."

He attended primary school at the Wat Taphan School in the Din Daeng area. He completed secondary school at the Amnuaisin Phra Nakhon School. After that, he studied engineering in Germany for two years. He then went to the United States to attend Purdue University in Indiana. But he didn't graduate and so he transferred to Curry College in Boston and switched his major to economics.

After returning to Thailand, he went to work at the Krathing Thong beer plant at the request of Mr. Uthen Techaphai-bun, his father-in-law. Later on, the name of this beer was

changed to Amarit beer. The company was also an important agent for Kloster beer. He began his career as a sales manager, eventually becoming the managing director.

Later on, he entered politics as a member of the National Democracy Party of Gen. Kriangsak Chamanan.

"At that time, Minister Op Wasurat provided me with help. I became a member of the executive committee and helped field candidates in the general election of 1983. After the election, a new executive committee was elected, and I was elected deputy secretary general and party treasurer."

In the general election of 27 July 1986, Mr. Somphong Amonwiwat ran for election and was elected MP [member of parliament] for the first time from Zone 1 in Chonburi Province. In the political arena, Mr. Somphong has said that "I liked Gen. Kriangsak, because he loved democracy. When problems arose, he went to parliament and resigned like a man. He did not dissolve parliament, which would have meant wasting money to hold a new election."

But in actual life, people often don't have a choice, and there are few men to choose from. When he began campaigning for office, Mr. Somphong relied on the prestige of "Poi Sia, Mr. Chaiyathat Techaphaibun, and forged links to "Kamnan Po," Mr. Somchai Khunplum. He came in first in the election with 83,698 votes, beating Mr. Uthai Phimchachon, who won 83,075 votes.

But in the election of July 1988, because Kamnan Po wanted to expand his influence from Zone 2 into Zone 1 by bringing in the team of Mr. Nikhom Saencharoen, Mr. Somphong Amonwiwat, the "outsider," had to run for office in Zone 1 in Chiang Mai Province as a member of the Ruam Thai Party.

However, the official reason cited by Mr. Somphong is:

"Gen. Kriangsak, the party leader, had gotten out of politics, and the National Democracy Party did not field any candidates. In effect, the party had been disbanded. I wanted to stay in politics and so I had to join another party. Finally, I joined the Ruam Thai Party of Mr. Narong Wongwan. The party decided that I should run for election in Chiang Mai and so that is what I had to do. I was new to the party and so I couldn't go against the party resolution."

In the election, Mr. Somphong was elected MP from Chiang Mai, winning 82,857 votes. Mr. Charoen Chaoprayun, a native of Chiang Mai and the man who headed the slate of candidates, won 107,273 votes. In the next election, Mr. Somphong was elected for a third time, winning 100,303 votes as compared with the 101,852 votes won by Mr. Charoen, who still headed the slate.

His fellow party members, including Mr. Charoen, advised and urged Mr. Somphong to forget the people in Zone 1, Chonburi, and serve the people in Zone 2, Chiang Mai. The result was that he was appointed deputy minister of agriculture and cooperatives during his second term. And the chances are very good that during his third term, he will be appointed minister of agriculture and cooperatives.

Mr. Somphong was very smart to move from the National Democracy Party to the Ruam Thai and Solidarity Parties.

And now he has followed the lead of Mr. Narong Wongwan in having the Solidarity Party merge to form the Justice Unity Party in the present political atmosphere, that is, during the period of the National Peace-Keeping Council.

Student Leader on Government Surveillance, Threats

92SE0224B Bangkok THAI RAT in Thai 15 Apr 92 pp 1, 17

[Article by Rut Komonbut]

[Excerpt] [passage omitted] Mr. Parinya Thewanrumitkun, the secretary general of the Students Federation of Thailand (SFT) and a student leader who is well known for his demands for justice for the people and for his opposition to having a neutral prime minister, which is a very hot topic today, is one of the people who is being followed from morning to night.

Mr. Prinya said that people had warned him that he was being followed, but he realized that this was true only a few weeks ago when he parked his car and stopped to eat in the Thewet area. He happened to glance around and saw two men dressed in black riding on a motorcycle. They were carrying radios and were watching him from across the street. That made him suspicious, and he began watching for the two men.

"I went this way and that way to see if they would follow me. When I stopped, they pretended to stop and look at things on the side of the street. Thus, I was sure that they were following me, and so I approached them and asked why they were following me. They looked embarrassed and said that they had been ordered to keep me under surveillance. But they refused to say who had ordered them to do this."

The secretary general of the SFT said that after that, he became very cautious and trapped them into revealing themselves. He discovered that each day, six people on two motorcycles and in a car followed him from the time he left his house until he returned home. "What I noticed was that whenever I had to stop for a red light, the people on motorcycles stopped behind me. That's unusual, because at a red light, motorcycles usually move to the front. They don't wait behind cars."

Mr. Prinya talked about how he feels about having been followed for the past two weeks. He said that initially, he felt quite tense and didn't know if they planned to hurt him. He also read a leaflet attacking him, and he received telephone calls threatening to kill him. That had a great effect on him. He was not able to concentrate on his work. But later on, he began to feel annoyed, as if he was being besieged by insects.

When asked if he was afraid of being kept under surveillance, Mr. Parinya said that he wasn't afraid. Because even though democracy has suffered such a setback, Thailand has developed a lot. He probably won't disappear like Mr. Thanong Phothi-an. His family is worried and has warned him to be careful.

Miss Karuna Buakhamsi, the deputy secretary general of the SFT, who works closely with Mr. Parinya, is another student leader who is being kept under surveillance. "At first, I was very afraid, because I didn't know what they would do,"

said Miss Karuna. She said that they usually followed Mr. Parinya. Sometimes someone called threatening to scalp her. Sometimes, people called posing as reporters and asked about the activities of the students.

Mr. Parinya also related some of the humorous things that had happened while he was being followed. He said that one time, he drove here and there as if trying to lose them. They came up and told him that they didn't want him to flee, because they didn't want to harm him. They just wanted to do their job as easily as possible and didn't want to have to chase him. "Another time, I went out on business in the car of a friend. They saw my car parked there and thought that I was still there. They sat there watching my car the entire day, not realizing that I had gone several places."

The secretary general of the SFT said that their main objective in keeping him under surveillance is probably to learn more about student activities so that they can keep an eye on students. The worst thing is that this is a violation of people's human rights. People should have freedom in their life. They should not be threatened by state power. "Even after I finish work, they continue to interfere with my private life. We have a new prime minister. If the rights of students are violated like this now, what will he do to people in general later on?" [passage omitted]

MILITARY

Wanee Khraprayun on Politics, Personal Life

92SE0227A Bangkok MATICHON in Thai 14 Apr 92 p 14

[Interview with Wanee, the wife of General Suchinda Khraprayun, by MATICHON on 9 April at the Army Wives Association]

[Excerpts] [passage omitted] [MATICHON] Are you concerned about the fact that people are now attacking General Suchinda?

[Wanee] No, I am not worried. But I don't think that that is proper, because I know that there are certain groups behind the students who are doing this. They have been paid large sums of money. There have been reports. We have intelligence sources. We know what is going on. We won't abandon senior people or the country. But we have to distinguish right from wrong. We have to speak out. That isn't democracy. They would charge that we had allowed the country to split apart. That is not democracy. People can't just say whatever they want. That would pose a danger to the country. That would destroy the country. After listening to such things, they return to class. No adult can allow children to act like this. They shouldn't act like that. We know who is inciting them to act like this.

What they are doing is not right. People shouldn't think that these students are stupid. Students must have common-sense. They have to know [that their job is] to study. Why have they become the tools of others? Those people are planning to destroy the country. Frankly, we have been patient for several years. There are certain groups that have been trying to incite the masses for 10-20 years. They have

been active since the 1970s, and they have been led by various people. We are Thais and must defend the country. We are not possessive of the country. Why should we be? If people don't love their country, they should leave. They should go somewhere else. If someone doesn't love Thailand, if he is not a Thai, if he was not born in Thailand and doesn't love the country, he should leave the country. [passage omitted]

[MATICHON] Has the prime minister expressed any concern since taking this position?

[Wanee] He has never said anything, either before or since. The only thing he has said is to be patient, because we will be attacked. Will people in general allow good people to be attacked? This shows that the mass media will play a major role. Will it attack him or support him? Is he a good person or a bad person? He has said to remain patient. I don't think that there is anything to worry about. They can attack us, but we can speak out too. Actually, we are much stronger. If we want to say something, we can do so at any time. We could give out millions. But we won't do anything stupid like them.

[MATICHON] There are people who say that this administration won't complete its term.

[Wanee] Just wait and see. It might remain in office for 10 years.

[MATICHON] Many people believe that.

[Wanee] Not only will this administration complete its term, it may even remain in office longer than that.

[MATICHON] Will there be another coup?

[Wanee] Who would stage a coup. If the government is secure, there won't be a coup. If the government is good, no one will do that.

[MATICHON] Some of the people whose assets were seized have been appointed minister. What is your view on that?

[Wanee] Those whose assets have been seized will have to wait for the courts to make a decision on their guilt or innocence. If they committed a crime, they must be dealt with in accord with the law. Our country has laws. It's like someone committing murder. If the police catch them and they are convicted, they have to go to jail. The cases of these people have not yet gone to trial. Thus, they can be appointed to positions in the government. They have not been convicted. They are just under suspicion.

[MATICHON] As the wife of the prime minister, what will your most important task be?

[Wanee] I haven't thought about that yet. I miss the people in the military. After 17 April, I will probably formulate a work plan. He will be appointed on 17 April. Right now, all I am thinking about is how to turn over the work. There are many Army Wives Association documents. We support all the organizations that have submitted items. Thus, I am very busy. There are more than 100 files. I would like to tell the new head of the Army Wives Association that if she needs any help or wants me to do anything, I would be glad to help. Summana Nunphakdi is a very talented woman.

[MATICHON] In your daily life, has anything changed now?

[Wanee] I have never thought about that. Ever since I became engaged to acting 2d Lieutenant Suchinda, I have never become very excited by any position, and I have never desired any position. I am not a greedy person. I can tell you my fate. When Jupiter and Mars are in the ascendancy, they say that you have power. I have never desired that. I was born at an auspicious time. I have never wanted anything. But that is my fate. That was the sign that I was born under. That is, I have never wanted anything. I have never done business with anyone. I have never received any money from anyone. I have just spent what money I have had. The only person I have ever asked for money is my husband.

[MATICHON] Did you have a premonition that Gen. Suchinda would become prime minister?

[Wanee] Let me tell you a dream that I had. On 17 March, during my trip to Thai Yok to supervise the construction of a raft for members of the association, I dreamed that I flew over them and over the trees. I dreamed that I flew a long distance. I then woke up. This shows that I had escaped the devil and that I could hope for everything. If I say that I had never hoped for anything, it means that I had escaped the devil and could soar high and fly over them and over the trees. Thus, if people ask if this government will survive, this dream indicates that it will last a long time. I dreamed that I would fly far without getting tired, and I was happy. This indicates that there will be contentment for a long time. I am not greedy. This refers to my work, that is, the work will go smoothly.

Thus, my horoscope supports my husband. It's the return of a favor. Because when my husband is quiet, I am sometimes upset. And when I am quiet, he sometimes becomes upset. We take turns. But we have never become too serious. We have never remained angry more than five minutes.

[MATICHON] What do your children think about their father being appointed prime minister?

[Wanee] I have not talked to them about this. I don't see them that much. In the morning, they go to work. Our eldest child is taking staff training. He will go abroad. He will go observe things and complete his course this October. His name is Major Chettawut. I have asked him if he plans to follow in his father's footsteps, because his father was first in everything. He just smiled and didn't say anything. Like his father, he doesn't say much. He and his father don't talk to each other very much. They are talkative only with their subordinates and friends. My second son takes his lunch to work with him every day. He packs his lunch himself. Sometimes he eats in his car, because he doesn't have time to eat at home. Everyone who goes to work has to do this. Regardless of who their parents are, everyone has to work.

[Wanee] Do you have to do the cooking yourself every day?

[Wanee] I do the cooking sometimes. Sometimes I cook something and put it in the refrigerator for my children. In the morning I heat it up and pack it for them. Sometimes, they get to the bathroom before me, and I have to knock on the door. If it's not one of the children, it's my husband.

Normally, I don't eat with my husband or children. I like to eat preserved fish, but my husband and children don't like this dish at all. They think it smells, and so I have to eat with my secretary. We have a preserved fish meal and a Thai meal. But the Thai food is not authentic Thai, because my husband does not like shrimp paste. He won't eat preserved fish. He doesn't have the "merit" to eat this food. (laughs) And so I have told him not to ask for this when he is 80. (laughs) If he asks for preserved fish when he's 80 years old, I won't make it for him. (laughs)

[MATICHON] What are the prime minister's favorite foods?

[Wanee] He likes almost everything. He likes shrimp soup. He says that he won't eat anywhere else. But maybe he goes out behind my back. (laughs) I can't help that if I don't know. Just don't let me find out. If I find out, I won't cook for him anymore. (laughs) But that's not important. If people do good, they will receive good. People who do bad are only hurting themselves. That's the law of fate. It's a matter of cause and effect. Those who do something will reap the consequences. There is no reason to become upset. Those who do evil will reap evil.

[MATICHON] Does the prime minister help you cook?

[Wanee] In the past, we had to buy food ourselves. We purchased food at the Marketing Organization for Farmers. We had to make many trips. My husband likes to shop. He is very helpful. But he has never liked to cook. He once cooked a meal and has been talking about that for the past 10 years. He cooked a pork stew when we were in Washington, D.C. That was when he was serving as an attache to the United States. His dish was delicious. He has been talking about that for more than 10 years. (laughs) In raising our eldest child, he did the washing only once. You don't need to praise him for that. I have worked very hard and no one has praised me. (laughs) This is the fate of a mother. No one ever sees the things that a mother does.

My husband has never seen how tired I am. But I have worked hard, because I consider that to be my duty. I have never tried to gain face by doing all this work. I have cooked and kept house because that is my duty. And I have done that willingly. If you work just because it's your duty, you will feel that you are being forced. But if you do so willingly with a desire to please them and make them happy, you will be happy, too.

[MATICHON] What desserts does the prime minister like?

[Wanee] He likes desserts, but he has stopped eating them because he has diabetes.

[MATICHON] How proud are you of your family?

[Wanee] I am proud of them. And I am proud of myself for all the things that I have done. I am proud of everything, from being the head of the Wives Association and of being the head of the household. I have cleaned the bathroom and cleaned the house. I did the cleaning even when I was pregnant. I am diligent by nature. I forgot to tell you my entire horoscope. Venus is agriculture. Mars is "maha ut." Jupiter is "maha chak." This refers to toughness and

diligence. My husband has three signs, the sun, Jupiter, and Mars. No one can do anything about this. People shouldn't attempt things if the stars aren't right. It will just be a waste of time. They won't be successful. They won't be able to succeed no matter how hard they try, because that is not their fate. You can go and ask the monks.

[MATICHON] How did you meet Gen. Suchinda?

[Wanee] He had nothing to do with that. And I never loved him. He was the friend of my older brother. I never showed any interest in him. But then he began showing an interest in me when he went to Korat. We were about 15 or 16 years old. That is when he began looking at me. That's what he says. He used to be very skinny. At that time, he was not at all handsome.

[MATICHON] Does that mean that he has now grown handsome?

[Wanee] He is more handsome now. I met him when I was 11 years old. He was 13. That was when we were living in Chonburi Province. I had to make omelets for him. He said that my omelets were delicious. I wasn't interested in him at that time. But when I was studying at Chulalongkorn University and failed, he came and took my hand and tried to make me feel better. I cried a lot. He had taught me, and I failed. (laughs)

Actually, the reason why I failed to graduate from Chulalongkorn was that I tried to do too much. I got involved in everything. That is the truth. I wanted to be involved in everything. And I came from the countryside. I completed secondary school at the Korat Suranari School. When I took the test, I was not as confident as the others. And I was not good at mathematics. But my major was accounting, which is what my elders had told me to study. I knew after the first term that I would not graduate, because I did not like numbers. When I failed, I cried a lot. I cried for a long time. After leaving Chulalongkorn, I went to Thammasat University. I wanted to conquer accounting, but I couldn't. I attended Thammasat University for three years. I just couldn't make it, but I didn't get discouraged. It was during that period that I became engaged. We got married, and five months later I became pregnant with my first child. And so I dropped out of school. I had planned to return to school after having my baby, but the child was so lovable that I couldn't leave him. My father, Police Lieutenant Colonel Chat Nunphakdi, told me not to go back to school. He told me that it was better for a woman to raise her children. And so I decided to cry for another five years.

I have a gentle temper, and I am good-natured. But if I have to be tough, I can be. But normally, I am gentle and good-natured.

During the three times that I accompanied by husband abroad, I learned many things. I studied all the time. I could argue with foreigners in their language. I learned more from actual experience than I did in school. I learned by living abroad. And I learned by living in military and police society, which is a very disciplined society. Soldiers and policemen are very disciplined people, and they like to teach others, because they feel that teaching is a form of giving.

[MATICHON] Did Gen. Suchinda ever take you anywhere or give you anything just after you fell in love?

[Wanee] We couldn't go anywhere. When we went to a movie, we were always accompanied by Tui. (laughs). Tui, the new RTA CINC [Royal Thai Army Commander in Chief], would always sit between us. He was very concerned about his younger sister. When we first started dating, they got into a fight. And friends cheered them on.

Prior to that, I had had other admirers. But they didn't dare do anything. When we lived in Korat, I had an admirer. He followed me on his bicycle. But I was not interested in those people. No one ever told me of his affection for me. My husband never said he loved me. But he would come close and take my hand.

[MATICHON] With respect to the prime minister, of what are you most proud?

[Wanee] He is a very generous person. He has contributed money every year. He has never accused me of being extravagant. He has teased me. But when the time comes, he always gives me money. He just puts the money on the table. He gives a lot. We have lived in six southern provinces, five central provinces, and 12 northeastern provinces. He hasn't given money just once. He has also donated goods. He has donated things in support of CRMA [Chulachomklao Royal Military Academy] Class 5 functions and the wives association. He is involved throughout the year.

[MATICHON] Do you think that your life has been successful?

[Wanee] Based on what we have done, I think so. I have never become tired or discouraged. I have never experienced such a hectic one to two months, but I am not tired.

I have never sat around. I have never slept during the day. I have always been busy. That is, besides my work as a wife and mother, I have worked at the association every day. I have never left my secretary alone. I have asked my secretary to attend functions on my behalf only when I wasn't free to go myself.

I get up by 0700 hours at the latest and go to bed at 0200 hours every day. I don't get tired. I cook every day at noon and in the evening. I like to cook all types of food using preserved fish.

I make offerings, but I usually do that on my own unless it is an important occasion. I don't have a regular temple that I go to. Wat Som is the regular temple of this family. But my husband started going to Wat Phleng. We went there to meditate. But when Achan Pradoem died, we stopped going there. My husband now goes to Wat Ratchapha.

As for dress, I have never been interested in fashion. I have preferred to be comfortable. I have a regular dress maker. She lives on Phra Antha Lane. The name of her shop is Sida. Ming is a very talented seamstress. But her shop is very small. I have had clothes made in Ratburi, Suphanburi, and Chiang Mai.

I am not a collector. I prefer to meditate and gain prestige. That means collecting merit rather than material things.

When I do something for someone, I never think of getting anything in return. By focusing my mind, I hope to attain a state of bliss. But I am fibbing. I can't achieve that. You must gain merit naturally.

Commander on Role, Problems of Reserve Forces *92SE0227B Bangkok KHAO THAHAN BOK [ARMY NEWS] in Thai 20 Mar 92 p 4*

[Article by 16th Infantry Division Commander Major General Bunchu Samonrik]

[Excerpts] [passage omitted] Although the Army has implemented a policy of reducing its manpower during the period 1992-2001, the policy of strengthening the reserve forces to compensate for the reduction in size of the regular forces is a correct policy. This is quite fitting in the present situation. [passage omitted]

The Thai Army began strengthening its reserves during the period that Thailand had to confront the communist countries in Indochina during the period 1972-1981. Four reserve divisions, the 11th, 12, 15th, and 16th infantry divisions, were formed in 1982. The objective was to turn these into combat-ready reserve divisions. They were formed as light divisions. In normal times, they are to be kept at 30 percent of their full complement. Approximately 70 percent of the full complement is to be kept on the roll.

Readers have probably heard about the 3:3:4 reserves training system. This was implemented in 1991. That is, reservists are kept on the rolls for 10 years. Men are called for training based on the 3:3:4 training system. They undergo training together with regular forces and regular units.

Experience has shown that this is a good system. This is a suitable system and should produce the results desired. Based on observations, the reserve forces who have been trained with the 16th Infantry Division all know each other. They are close to each other and know their superior officers. A question that is frequently asked is, "How serious are the reserve forces in their training?" I would like to tell you that as far as the 16th Infantry Division is concerned, the reservists are very serious about their training, and they are capable of carrying out the tasks assigned them in an efficient manner. Perhaps this is because many of them have served in the military in the past. They have jobs and families. Thus, they stop and think and have a lofty sense of responsibility. This is good for the units and for the Army. Besides this, some reservists have special capabilities (in line with their profession), and some of the highly-educated reservists are able to help the units and train the regular forces in the units.

Looking at the "reserve system" and at the "reservists," it can be said that we can be quite confident. I hope that readers will feel the same way. There are still problems and obstacles. But we must take steps to ensure that as few problems as possible arise.

As a regular soldier, one of the problems that I see with respect to the reservists who come to train with us is that (some of) their employers, the owners of the businesses, and

the heads of the units where they work don't like the fact that these people must miss work to undergo training. Sometimes, they take action against the reservists. The army is taking steps to solve this problem. It is trying to protect the reservists by taking legal action. The 16th Infantry Division is trying to foster understanding and solve this problem.

One matter that we are now studying is, When reservists arrive at their units, how long should the training last to ensure that they are capable of performing their tasks? We will probably have to carry on studies and development simultaneously. [passage omitted]

We can draw a rather clear picture of the broad goals of developing Thailand's reserve system. And this should be a rather concrete picture. This picture must include the following important elements:

1. Support factors, 2. a supportive national policy, 3. the reservists must live and work in that area, 4. and this system must be accepted and viewed as important to the nation.

ECONOMIC

Kroekkrai Questions EC Decision on Tape Piracy
92SE0229A Bangkok BANGKOK POST in English
16 Apr 92 p 17

[Article: "Thailand Queries EC Decision on Tape Copying"]

[Excerpts] A senior Thai official yesterday questioned European Community estimates of losses arising from illegal copying of audio tapes in Thailand and said the EC had overlooked moves to tighten copyright enforcement.

Commerce Deputy Permanent Secretary Kroekkrai Chiraphaet said Thai officials estimated that EC companies were losing only about 45 million baht per year, whereas the EC's executive commission put the loss at 750-1,500 million

baht (24-47 million European Current Units) for the period 1987-90, and European companies at 2,300 million baht (Ecu 73.3 million).

His comments were a reaction to an unofficial ruling in Brussels late last month that Thailand's copyright enforcement measures were inadequate and that the EC should consider retaliation against Thai exports. The EC could withdraw import duty concessions granted under the Generalised System of Preferences (GSP), or take other action. [passage omitted]

Mr. Kroekkrai contrasted the EC Commission's approach with that of the United States. Unlike the Americans, the Europeans took no account of the fact that illicit copying shops had been raided and an economic crime suppression police unit was recently set up in Bangkok, he complained.

The creation of new agencies such as the police unit were designed to assist in the gathering of evidence and preparing prosecution, but it was up to companies suffering from illicit copying to use the law he said. [passage omitted]

The EC's committee is said to have concluded that Thai copyright law has been ineffective in reducing illicit copying. Procedures for prosecution, regulations and legal interpretations were said to be complicated and to benefit the pirates, and the penalties were said to be too lenient.

No infringers had been punished with imprisonment, the committee observed, according to a statement that Mr. Kroekkrai distributed yesterday.

The Thai Government was therefore considered to be failing to comply with international law and engaging in an illicit commercial practice.

Mr. Kroekkrai said the Government's own estimate of the losses being suffered was based on evidence gathered from a sample of 93 outlets, 68 in Bangkok and 25 in the provinces. Officials from the Business Economics and Fine Arts Departments did the sampling, he said.

Mr. Kroekkrai also questioned why the EC's own estimate covered such a wide margin.

POLITICAL

City Lawyer Interviewed on 1992 Constitution

922E0130A Ho Chi Minh City TUOI TRE
in Vietnamese 23 Apr 92 p 2

[Article by Tam Khanh: "The 1992 Constitution Affirms the Resolve To Renovate the Country"]

[Text] The 1992 SRV Constitution was recently promulgated following its adoption by the 11th Session of the Eighth National Assembly.

How did the Constitution give expression to the ideas contributed by the people throughout the country, especially the people in Ho Chi Minh City? What should be done in the days ahead to give effect to the new Constitution in life?

Lawyer Tran Quoc Thuan, secretary of the People's Council of Ho Chi Minh City, has shed light on these questions in a meeting with a TUOI TRE correspondent.

"The Dropping of the Term 'Long-Lasting' by the National Assembly When Referring to the Multisector Economy Has Affirmed Far-Reaching Renovation"

[TUOI TRE] *In your opinion, in the process of discussing and passing the 1992 Constitution, how did the National Assembly take in the suggestions made by Ho Chi Minh City voters?*

[Tran] As a member of the committee that took part in gathering the suggestions made by Ho Chi Minh City residents for amending the 1980 Constitution, I think that the newly adopted 1990 Constitution has acceded to public opinions and has had many of its provisions revised accordingly. When the Council of State and the Committee for Constitutional Amendment released the third draft of amendments to the 1980 Constitution for comments by all the people, numerous persons, prompted by their old way of thinking, surmised that many provisions had been fixed by the "upper levels." There was the view that the political renovation embodied in the Constitution had been "nailed down" by the seventh party congress and the second plenum of the party Central Committee. But that was not so. Although the fourth draft, as it was presented to the National Assembly, already contained numerous revisions, the National Assembly, taking its task very seriously, carefully dissected all the provisions one by one. As a matter of fact, the National Assembly has voted in accordance with many suggestions by the people. Within the limits of the ideas contributed by Ho Chi Minh City voters, we can cite some major issues on which the 1992 Constitution has complied with their suggestions. Concerning the question of form, the National Assembly voted to call the new charter *the 1992 Constitution* instead of *the Revised and Supplemented 1980 Constitution*. This was a major decision of very important significance. In the new Constitution, aside from its method of expression, its use of terms, its structure, and its concepts that are more sharply defined and more concise than in the previous drafts, its content also includes many points that are determined in a way different from their previous versions. For example, in Chapter II, which deals with the Economic System, it is affirmed that a market-oriented economy will be built in which citizens are entitled

to the freedom of business, the right to private ownership of the means of production, the right to set up unlimited business concerns, and the right to enter into joint ventures, to form business associations, and to cooperate with foreign countries in investment. These are provisions that did not exist in the previous charters. Especially, in my opinion, the fact that the National Assembly dropped the term "long-lasting" in determining the existence of the multisector economy has affirmed the far-reaching renovation of the economic line, because the "long-lasting" notion constitutes a vague qualification. Regarding the structure of the state apparatus, the suggestion made by the majority of Ho Chi Minh City voters for establishing a single-head-of-state system was accepted. The National Assembly approved the state president formula instead of the Council of State formula as stipulated in several previous drafts of amendments. The replacement of the Council of Ministers system with the government system also reflects the determination to build a strong centralized state and to curb partitionism, departmentalism, and localism. The people's council is still affirmed as being a local organ of authority responsible for supervising even the organ of control (a provision not figured in the 1980 Constitution). This embodies the concept of building a state of the people, by the people, and for the people.

For the first time, our Constitution has acknowledged respect for human rights in the political, civil, cultural, and social domains. These rights, reflected in the rights of citizens and determined in the Constitution—such as the right to run for election, the right to freely engage in business, and the right to ownership, in particular ownership of the means of production—are either newly established or defined in a more substantial manner. The right to corporeal freedom has been established at a higher level than before.

It can be said that the 1992 Constitution is a basic law that institutionalizes the political platform and the resolution of the seventh party congress and affirms the party's renovation line. It conforms with the international conditions, the objective socioeconomic situation in our country, and the will and aspirations of the people.

[TUOI TRE] *The new constitution is an important legal basis, the "mother law" for the building of a complete legal system. In your opinion, after the "constitution-making" process, how should we continue doing the remaining work?*

[Tran] As far as I know, concerning the law-making program of the National Assembly for 1992, a major task that lies ahead is disseminating, propagandizing, and reporting on the Constitution to make sure that, at the very least, each family will have a copy of the new charter. In the immediate future, we must do a good job of organizing the National Assembly election. We must see to it that, through this election, the people can pick worthy people to serve in the highest organ of state authority. This selection process, including holding consultations, running for election, nominating candidates, and electing deputies, must be carried out in a democratic fashion and in accordance with the law.

We know that after the advent of the new charter, all lawmaking agencies and state organs will have to reexamine

and revise various laws and sublaws to suit them to the provisions of the new Constitution. According to the Council of State's planning, a fairly extensive lawmaking program is anticipated for 1992, with 19 laws, 16 regulations, and seven statutes and projects to be passed. Worthy of note among these documents are the Law on Government Organization, the Law of People's Council and People's Committee Organization, the Law on People's Court Organization, the Law on Organ of Control Organization, the Civil Code, the Land Act, the Business Bankruptcy Act, and various regulations on economic courts, on noncontractual civil responsibilities, on urban management, on family and marriage between Vietnamese citizens and foreign nationals....

"The New Constitution Requires a Judiciary Apparatus That Submits to the Law Only"

[TUOI TRE] *Could you elaborate on some concrete points ensuring the effects of the 1992 Constitution?*

[Tran] There are many issues involved, but I would like to talk about the adjudicative system only.

I think that the new Constitution requires a judiciary apparatus that submits to the law only. In the recent past, there were many verdicts, such as the ones concerning the Department of National Reserves, Immexco... that gave rise to public speculation that the adjudicative organs were hamstrung by certain "ties." If this state of affairs is not ended soon, we will have difficulty implementing the Constitution.

As for the judiciary apparatus, it must recruit people who have a high political standard and are knowledgeable about social affairs, and, especially, people who are well versed in law and have received formal legal training. The judge appointment system defined in the new Constitution is aimed at guaranteeing the principle of adjudicative independence. In addition, there must be statutes on judges, executors, court clerks, organ of control members, investigators.... to ensure that legal cadres are selected according to high standards and through rigorous procedures. Besides, there must be a fitting system of compensation for legal personnel, which will contribute to ensuring the strictness and judiciousness of the law.

Concerning the system of adjudicative organs, the 1992 Constitution leaves open the possibility of establishing specialized adjudicative agencies. First of all, reality calls for the setting up of economic courts, and preparations are being made for this purpose. In the domain of settling citizens' complaints and denunciations, reality demands that regulations on penalty be determined to help overcome the backlogging of complaints, a state of affairs that has caused trouble to the people. The inspection organs are unfit for this work because there are many cases in which an inspector cannot check up on the decision of a people's committee that is his or her superior. There must be another agency to justly settle all disputes between citizens and the state, between an organization and the state, and between state organs themselves. The administrative court is an agency that can satisfy this need. This is a pressing demand.

The labor court will adjudicate all labor lawsuits in accordance with the labor act. At present, however, a law on labor is still lacking; therefore, a labor court is impossible despite the fact that it is also a demand of reality. In my opinion, all this will have to wait until major reforms are carried out in the state apparatus.

Assembly Meetings on Constitutional Amendments

Discussion on National Assembly

922E0136A Ho Chi Minh City TUOI TRE
in Vietnamese 9 Apr 92 pp 1, 2

[Article by Minh Duc]

On 8 April, at the 11th Session of the Eighth National Assembly, the Committee for Constitutional Amendments summed up the suggestions of National Assembly deputies, revised the various articles in the chapter on the National Assembly accordingly, and submitted them to the National Assembly for enactment. Article 83 of the Fourth Draft of Constitutional Amendments had received the most suggestions. Regarding Section Four of Article 83, 11 suggestions recommended that regulations be added to empower the National Assembly to decide on the issuance of banknotes. According to the Committee for Constitutional Amendments, because this is an important matter, it should not be left to the National Assembly, which only meets twice yearly and therefore cannot meet the demand for flexibility and timeliness in national economic management. Deputy Nguyen Xuan Oanh was against giving this power to the National Assembly and recommended letting the State Bank decide instead. Also concerning Section Four, eight suggestions advised against empowering the National Assembly to make decisions on state budget allocations on the grounds that this is a government's duty. However, the Committee for Constitutional Amendments and subsequent suggestions affirmed the National Assembly's authority to make budgetary decisions. In regard to Section Seven of the same article, which determined that the National Assembly has the authority to ratify the appointment of deputy prime ministers and cabinet ministers by the prime minister, many opinions suggested that the National Assembly be empowered to ratify not only the prime minister's proposals for the appointment of deputy prime ministers and cabinet ministers but also his proposals for the relief and dismissal of these officials. Some opinions proposed that the phrase "deputy prime ministers and ministers of the government" be replaced by the phrase "members of the government" for the sake of comprehensiveness. The Committee for Constitutional Amendments went along with this proposal and 401 of the 426 deputies who voted agreed to pass it. Concerning Section Nine, 17 suggestions urged retention of the stipulation that the National Assembly is empowered to abrogate those documents issued by the Supreme People's Court and the Supreme People's Organ of Control that are at variance with the Constitution and National Assembly legislation and resolutions. However, the Committee for Constitutional Amendments was of the opinion that such a

constitutional stipulation might lead to the misunderstanding that the National Assembly has the right to overturn judicial rulings and decisions on specific court cases; it therefore advised against including this regulation in the Constitution.

Authority of State President, Premier

922E0136B Ho Chi Minh City TUOI TRE
in Vietnamese 11 Apr 92 pp 1, 2

[Article by Minh Duc]

[Text] In the afternoon of 9 April and on 10 April, the National Assembly continued to discuss and vote on each article of the chapters in the revised Constitution dealing with the National Assembly, the president of the country, the government, and the people's councils and people's committees after these articles had been readjusted. In particular, deputies held lively discussions on the powers of the country's president and the government prime minister before voting for them.

Concerning the duties and authority of the country's president, after deputies voted to transfer to the president two powers originally given to the National Assembly's Standing Committee—the power to decide on bestowing military ranks on senior Armed Forces officers, diplomatic ranks, and other government ranks, and on conferring orders, medals, and honorary titles of the state; and the power to decide on granting amnesties—the president has a total of 12 duties and powers. Some opinions disapproved of giving the president the power to act as supreme commander of the people's armed forces. Many other views agreed to this power, however. Voting on this matter, 400 of the 416 who cast their ballots approved the stipulations on the president's duties and powers as determined in the draft constitution. Some opinions advised letting the National Assembly elect members of the National Defense Council, while many views recommended letting the country's president nominate these members for the National Assembly to confirm. The National Assembly passed with a majority vote the regulations on this issue as were stipulated in the readjusted draft constitution. Other articles in the chapter on the country's president were also adopted, including the new Article 105, which determines that the country's president is empowered to attend the sessions of the National Assembly's Standing Committee and the government.

Articles 107, 108, 109, 110, and 111 of the chapter on government were quickly and unanimously passed by deputies as they appeared in the readjusted draft amendments to the Constitution. In regard to the prime minister's duties and powers, the National Assembly focused its lively discussion on the question of whether the prime minister should have the power *to ratify* the election or *to appoint* the chairmen and vice chairmen of the people's committees of provinces and municipalities directly subordinate to the central government (Section Three, Article 112 of the Draft Amendments to the Constitution stipulated that he is empowered to "ratify the election" of these officials).

Some opinions held that the prime minister must be the one who appoints these officials to prevent the establishment of

"local lordships." Deputy Nguyen Dong Chinh contended that if the prime minister was empowered to appoint the chairmen and vice chairmen of provincial and municipal people's committees, this would be tantamount to a "revolution" changing the organizational structure of the state apparatus. This power should be given to the prime minister to affirm his responsibility toward the nation. Moreover, such an assignment of power would not limit the role of the people's councils in supervising the implementation of its resolutions. Deputy Nguyen Van Hoang (Ho Chi Minh City) said: "In the past, when he was still chairman of the Council of Ministers, Comrade Do Muoi once said that he had no power to fire provincial people's committee chairmen. To give the prime minister the task of appointing the chairmen and vice chairmen of provincial and municipal people's committees is to prevent all acts running counter to the national interests." However, many other opinions argued that the stipulations of the draft amendments on this matter were adequate because the provincial people's councils must have the power to elect the chairmen and vice chairmen of people's committees, and that it should be sufficient for the prime minister to have the authority to ratify their elections. Moreover, the draft amendments already empowered the prime minister to relieve, transfer, or dismiss chairmen and vice chairmen of the people's committees of provinces and municipalities directly subordinate to the central government. The National Assembly took a vote on this issue. Of the 419 deputies present, 287 favored empowering the prime minister to ratify the election of people's committee chairmen and vice chairmen, while 136 deputies agreed to give the prime minister the authority to appoint chairmen and vice chairmen of people's committees of provinces and municipalities directly subordinate to the central government. A total of 366 deputies also gave their nod to Article 112 on the prime minister's duties and powers in its entirety.

Concerning the people's councils and people's committees (Chapter IX), National Assembly deputies, through the suggestions they made on various occasions, proposed that the Constitution need only to lay down regulations on main issues of principle so that after a general review of the organization of local administrations is made in 1994, the Constitution will not have to be revised again. In regard to the title of this chapter, some opinions suggested giving it the name of "People's Councils and People's Committees," but some others proposed the title "People's Councils and Administrative Committees." The National Assembly took a vote, with 357 of the 410 participating deputies endorsing naming the chapter "People's Councils and People's Committees." Regarding Article 116, most deputies suggested keeping intact the first paragraphs containing the regulations on administrative units in our country. As for the last paragraph of this article in particular, which said: "All these administrative units shall set up people's councils and people's committees," it was suggested that it be changed to read: "Organization of the people's councils and people's committees in these administrative units shall be determined by law." This revision was approved by 407 of the 410 deputies who voted. Concerning Article 117, all opinions focused on the question whether the people's councils

should be called local organs of state authority? The National Assembly took a vote, with 389 of the 410 participating deputies concurring with the stipulation that these organizations are "organs of state authority...." Concerning Article 118, some opinions maintained that the people's councils should not be stipulated as having the power to issue decisions, because the people's councils cannot determine anything other than the regulations issued by upper-level state organs. But the majority of suggestions held that the people's councils should not be denied the power to issue decisions. A total of 397 of the 410 deputies taking part in a vote on this issue went along with Article 118 in the draft amendments, which determined that the people's councils have the authority to issue decisions....

Articles 119, 120, and 121 on the people's councils' power to issue decisions and on election of the standing committee and other committees of the people's councils were struck out to permit a more concrete determination of these issues by the Law on Organization of People's Councils and People's Committees. Abolition of Article 125 (on the election of people's committees) was also suggested. However, during the discussion on Article 124, which stipulated that people's committees are an executive organ of the people's councils and an administrative organ of the state in localities, the majority of opinions proposed that Article 125 be restored to clearly spell out who will elect the people's committees. The National Assembly will continue to hold discussions in order to pass these articles of the chapter on the people's councils and people's committees.

Discussion, Approval of Article 148

922E0136C Ho Chi Minh City TUOI TRE
in Vietnamese 14 Apr 92 pp 1,2

[Article by Quoc Khoi]

[Text] In the afternoon of 11 April and on 13 April, meeting under the chairmanship of its chairman, Le Quang Dao, the National Assembly discussed and passed in a vote all the 148 articles of the revised Constitution and heard representatives of the Council of Ministers answer questions from National Assembly deputies.

The majority of deputies voted for Article 31, 43, 59, 61, 90, 102, 110, 139... after they were readjusted as suggested by the deputies. However, the National Assembly still had different views on Article 18 after passing it in the afternoon of 6 April with 313 of the 422 participating deputies voting in favor of the stipulation that the right to inherit the right to use land is recognized by the state as determined by law. According to National Assembly Chairman Le Quang Dao, since this was an important issue that should be settled with caution, the National Assembly had asked that decision be deferred to permit further revision of the article. On the afternoon of 11 April, meeting under the chairmanship of the National Assembly chairman, deputies held another vote on Article 18, and the result was that 302 of the 411 participating deputies disagreeing with the stipulation on the right to inherit the right to use land. Earlier, National Assembly Chairman Le Quang Dao had maintained that the stipulation on the right to transfer the right to use land already implied the right to inheritance. However, many

deputies disapproved of the National Assembly holding a second vote on Article 18. Deputy Le Minh Tung (from An Giang Province) contended that party documents acknowledged the right to inherit the right to use land according to the state laws and regulations; moreover, this was the peasants' wish. He said: This was an issue that had been settled by ballot; if we put it to the vote again, we would inadvertently violate the principle of democratic centralism. Deputy Tran Thi Suu (from Long An Province) also disagreed and maintained this was not a democratic way of doing things. Deputy Nguyen Van Phuc (From Kien Giang Province) wondered which figures were accurate—the 313 of the 422 participating deputies who approved the right to inheritance in land use in the first vote, or the 302 deputies of the 411 deputies present who rejected it in the second vote—and whether the issue must be discussed further. Many other views held that inclusion of this article in the Constitution called for caution and careful consideration and that the second vote was taken for the sake of the common interests of the entire country. National Assembly Chairman Le Quang Dao said: "First of all, every one of us speaks for the people and represents the people. The people throughout the country share the same aspirations, we are all aware of this fact and are all consciously respect the party leadership. The party does not impose its will; it has its own political views and makes suggestions to the National Assembly. But those issues that fall under the responsibility and authority of the National Assembly are decided by the National Assembly itself. It is normal to have many different views. But issues must be ultimately decided in accordance with a majority vote. Because there were many different views on Article 18 and we had asked the National Assembly to allow us to ponder over it further. Moreover, the recognition of the right to transfer the right to use land already implies the question of parents giving their children the right to inherit the right to use land, and this matter will be institutionalized by future legislation.

Economic Structure Article Approved

922E0136D Ho Chi Minh City TUOI TRE CHU
NHAT in Vietnamese 12 Apr 92 pp 1,2

[Article by Minh Duc]

[Text] The development of the multisector economy in accordance with the market mechanism has brought about many positive changes. In the revised Constitution, Chapter II on the economic system has been almost completely rewritten to institutionalize the economic renovation policy. Of its current 17 articles, seven are new ones and ten are revised old articles, with two old ones scrapped. At the current session of the Eighth National Assembly, deputies have engaged in lively discussions and have even expressed contrasting views on the questions of reaffirming the state economy, on equality for the individual economy and guarantee of its long-term existence, and on land ownership.

The issue of land ownership as stipulated in Article 18 was subjected to lively discussions and still remained unsettled even after it was put to a vote. Everyone agreed that land is

owned by all the people and exclusively managed by the state, and that the state allocates land to organizations and individuals for stable and long-term use. The remaining question was whether the right to inherit land should be permitted. This right was acknowledged in the third draft of amendments to the Constitution, but following public suggestions, it was struck out in the fourth draft. At the current session, the majority of deputies proposed that the right to inherit land be affirmed. On 6 April, 313 of the 422 participating deputies voted for adding this right to Article 18 in the revised Constitution. However, numerous deputies, especially those from the mountainous regions, contended that if the Constitution recognized this right, it would cause confusion and tension in the status of land distribution. Since history of land development differs from region to region, there remains a lack of identity of views on this question. However, reality has confirmed that land is also a means of production. Some opinions maintained that if we continued to allocate land in accordance with the rate of rural population growth, the average per capita land area distribution would keep shrinking and peasants who cultivate minutely divided land plots would find it difficult to make investment to increase crop yields. However, there was also the view that peasants should be given the right to inherit land and transfer the right to its use so as to achieve the accumulation of land to an extent permitted by the state. Then, the peasants would be faced with having to choose between investing efficiently or "selling" their right to use land to generate capital for trades.

Article 19 of the Constitution was passed by a vote. This article, a completely new addition to the 1980 Constitution, clearly determined: "The state economy must be consolidated and developed in key sectors and areas of operations so that it can assume a leading role in the national economy." Discussions on this article were marked by two opposing line of arguments, one suggesting laying greater emphasis on state investment in the state economy, not only on its consolidation and development in key sectors and areas; and the other contending that, at present, despite the many favors they have received from the state, state-operated economic units have continued to operate at a loss and have thus forfeited their own role. The time has come for reorganization and, at the same time, for affirming that the state economy must receive investments with proper emphasis on key and leading areas and that indiscriminate, wholesale investment must be avoided. Article 19, as stipulated in the fourth draft of the amendments, was passed with 355 of the 422 participating deputies voting for it.

The individual and private capitalist economies were determined in Article 21, 22, and 23 as having the same rights and obligations as other economic sectors. However, Article 23 of the fourth draft of amendments stipulated: "The state may, when it deems it truly necessary to serve national security and defense as well as national interests, purchase or requisition—with compensation—the property of individuals or organizations at their current market prices." In the discussions of this issue, many opinions maintained that such a stipulation still could not give producers peace of mind. Article 25, which dealt with foreign individuals and organizations investing capital and technology in Vietnam,

clearly affirmed: "Foreign investment-funded enterprises shall not be subjected to nationalization." If so, why were private individuals investing in production in the country not covered in this article? The Committee for Constitutional Amendments had to further amend the article. In the draft put to the National Assembly vote on 6 April, the article affirmed that the "property of individuals or organizations shall not be subjected to nationalization." It was approved and passed with 425 of the 430 participating deputies voting for it.

All the 17 article of Chapter II on the economic system in the revised Constitution were passed by the National Assembly. The Constitution clearly determined: "The state develops the multisector commodity economy in accordance with the market mechanism, under the state management and in line with the socialist orientation. In this economy, all economic sectors are equal and shall be developed."

Article Discusses Reforms, Renovation

922E0141A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 21 Mar 92 p 2

[Article by Nguyen Xuan Son and Nguyen Tat Giap: "Some Reflections on the Restructuring and Renovation Undertaking"]

[Text] At present, after several years of carrying out reforms and renovation, a number of socialist countries, despite their many remaining difficulties, have recorded very important initial achievements, such as firmly maintaining political stability, gradually effecting positive changes in socioeconomic life, and affirming the necessity and correctness of reform and renovation along the socialist line. Besides this, restructuring and reform in several East European countries and the Soviet Union, because of serious mistakes in matters of principle, have resulted in political debacles, the collapse of a number of Communist Parties, the rapid bankruptcy of realistic socialism in several countries, acute racial and social conflicts, and long-stagnant economies being driven into an even more serious impasse.

The restructuring, reform, and renovation process is still continuing, showing extremely complicated developmental tendencies. Therefore, a full assessment of this process will take time and require a more painstaking, profound, and comprehensive study. However, in our opinion, for starters, we can draw from it some issues of important theoretical and practical significance to the current renovation undertaking in our country.

First: Persist in the Socialist Orientation of the Restructuring and Renovation Line

The Communist Parties that are carrying out reforms and renovation can have no other goal than successfully building socialism as a more developed and civilized social system compared to those preceeding it. To carry out reform and renovation does not mean to give up the socialist goal but to achieve it in an efficient manner by following the road, forms, methods, and steps conforming to the laws of social evolution. Therefore, "there is nothing worse and more

dangerous than showing vacillation and making mistakes in matters of fundamental principles"¹ concerning restructuring and renovation.

In the restructuring and reform process, many Communist Parties, as a result of their ambiguous attitudes toward and illusions about their political goals, were in a state of constant vacillation and, at the crucial moment for the destiny of socialism, quickly changed their political orientation, shifting from scientific socialism to democratic socialism. In reality, these Communist Parties had taken unprincipled steps in compromising with nonsocialist and antisocialist forces and failed to increasingly consolidate and enhance their prestige, thereby losing their power and becoming opposition forces and isolated.

While affirming the necessity of renovation in our country, we must resolutely struggle against those viewpoints calling for revising the socialist goal. These erroneous viewpoints want to erase the historical values created by the arduous efforts of countless generations.

On the other hand, we must also oppose the tendency to mix up principled character and firm stance with dogmatism and ideological sclerosis, and the habit of clinging to principles only for the purpose of making a specious excuse for conservatism and inertia, thus creating an obstacle to society's renovation process.

Second: Comprehensively and Uniformly Renovate All Aspects of Social Life, but There Must a Firm Grasp of the Right Key Link and Appropriate Steps Must Be Taken for Each Period of Time

To begin with, we must correctly settle the relations between economic restructuring and renovation on the one side and political restructuring and renovation on the other side. We must uniformly carry out restructuring and renovation in both economic and political domains, but the steps we determine to be taken in each domain must be appropriate and mutually supportive, and subjectivism and hastiness must be avoided. Achievements in economic renovation will create the necessary material basis for successful political restructuring and renovation. Political restructuring will, in its turn, create a mechanism for the efficient application of the various political factors and the political system as a whole in economic development to consolidate and bring into full play the achievements of economic renovation. In any circumstances, we must carry out restructuring and renovation on the basis of the objective of ensuring sociopolitical stability and preventing the state of political disorder that had occurred in some countries in recent years.

In our country, in its renovation undertaking, our party has advocated concentrating first on economic renovation, releasing productive capabilities, and developing all potential of society to create large amounts of commercial products to meet the pressing demands of the people in daily life. On this basis we will gradually turn the party's renovation line into the people's undertaking and mobilize the strength of all the people to carry out renovation. The positive achievements recorded in economic renovation in our country in recent years have not only helped promote the

political renovation process but also have accurately pointed to the demand and necessary orientation for political renovation.

In political renovation, our party has taken timely steps such as renovating its methods and style of leadership by overcoming the evils of bureaucratism, arbitrariness, authoritarianism, and violations of the people's right to mastery. It has, step by step, realized democracy within its ranks and in cadre work, has renovated electoral regulations and operational procedures of elective organs, and so forth....

Renovation in politics and economy—the two most fundamental aspects of social life—is an undertaking fraught with difficulty and complexity. It is a process in which we carry out renovation while looking for and creating new ways of doing things and which calls for a thorough understanding of the relations between the factors of the political and economic fields as well as between these two fields themselves. In the restructuring, reform, and renovation process, if we place too much emphasis on any factor or any field—to the point of absolutizing them—we will certainly make mistakes with unfathomable consequences.

Third: Incessantly Broaden and Develop Democracy

Along with economic reforms, democratization is one of the most important features of the socialist restructuring, reform, and renovation process. Many Communist Parties regarded democratization as the soul of restructuring and reform. However, in reality, while carrying out democratization, some parties failed to link democratization to discipline and responsibility and to fully perceive the relations between democratization and centralism, renounced the principle of democratic centralism in party and social activities, and broadened democracy in an unprincipled fashion, which eventually led to anarchic liberalism.

In the current stage, it is necessary to clearly determine the class character of democracy. Broadening and developing democracy is, first of all, for the benefit of the laboring people, workers, peasants, and intellectuals.

Democracy must be broadened and developed in the economic, political, and social domains. Democracy in economy is regarded as a vital link in the democratization process because if we fail to successfully carry out democratization in economy, the domain that serves as the material base of social life, democratization in other domains will lose much of its significance and proper conditions can hardly be created for its full implementation. Here, it is necessary to overcome the biased viewpoint that broadening the democratization process in economy chiefly means broadening the privatization of economy, strongly developing private ownership, and quickly abolishing the leading role of the state economic sector....

Over the past several years, some initial results have been achieved in the democracy-broadening process in our country, first of all in the economic field. With their policy of developing the multisector economy along the line of socialist orientation, our party and state have step by step improved the contract policy in agriculture, implemented

the right to autonomy of enterprises in production and business, applied the market mechanism, and so forth.... All of this has brought about a definite improvement in the national economic life. Increasing importance has been attached to the role of working collectives and people in their capacity as masters in economic management, production, and business. Positive changes along the line of democratization have also been reported in political, cultural, and spiritual life. The organization and operations of the political system are being renovated along the line of really ensuring the people's right to mastery.

While broadening and developing democracy for the people, we cannot shy away from applying dictatorial measures against the people's enemy. This is also a matter of principle. Broadening democracy is never synonymous with liberalism and anarchy. In our country, where the economy consists chiefly in small production, we have all the more reason for not making light of the struggle against the tendency toward liberalism and anarchy. Democracy must absolutely go hand in glove with responsibility and discipline, and with social order and state law.

Restructuring, reform, and renovation should be understood as being a process of continuing the revolution for building socialism. This must be a process of harmoniously combining dynamism, creativity, and positiveness from the top to the bottom level and vice versa. It is a large movement with a mass character, but it must follow strictly-defined orientation and proceed under the party leadership. The experience of many countries recently showed that if there is nothing but voluntarism imposed on the people from the top, the people will have no other choice but "to make revolution from the bottom." On the contrary, if the broadening of democracy is not oriented, it will inevitably lead to chaos and anarchy and will be thoroughly exploited by reactionary forces at home and abroad to oppose and abolish socialism.

Fourth: Renovation Must Begin With the Party; In the Final Analysis, the Party Renovating Itself Is the Most Decisive Condition for Success.

The Communist Party is the initiator and leader of the restructuring, reform, and renovation process; therefore, it must renovate its own organization and the methods and essence of its own leadership in order to satisfactorily fulfill its role as political leader of society.

If restructuring, reform, and renovation are to be carried out to enable the realization of scientific socialism, then it is the Communist Party and no other political force can lead restructuring and renovation to success. With its revolutionary character, the Communist Party can formulate a correct line in conformity to the people's aspirations and interests, the demand of history, and the objective laws of social development.

While asserting their leading role in socialist construction, the various Communist Parties must seriously reform and renovate themselves to measure up to their tasks. They must resolutely oppose all erroneous viewpoints that blame all mistakes and shortcomings on the Communist Parties and consider these deficiencies as the inevitable results of a

single-party system in order to condemn the parties and to lessen and abolish their role in their countries' political life. The experience of the ruling parties over the past years has shown that any party that divorces itself from the socialist goal will lose its leading role and pave the way for opportunist, demagogic, and antisocialist forces to frenziedly counterattack, oppose, and isolate the Communist Party.

In the present stage, to lead the reform and renovation process to success, the party must absolutely renovate its activities in all respects. First of all, it is necessary to clearly determine the leading function of the party: The party is the leadership nucleus of the political system, but all power remains in the people's hands. Through the scientific character and correctness of its line, the party exerts political leadership and determines political orientation for social development, but refrains from doing the work of the state and the various political organizations in the political system. The party must renovate itself in all respects—from its views to its methods of leadership—to ensure that the people really have power and the elective organs and social organizations can bring their functions into full play.

Renovating the party leadership means that we must quickly overcome the lack of democracy within the party, a state of affairs that has existed for a long time. This lack of democracy will weaken the party and alienate it from life and the masses' needs, thereby further exacerbating the lack of democracy in society as a whole. For this reason, the democratization of all aspects of social life must begin with the democratization within the party itself.

Our party has accomplished much in the renovation process aimed at enhancing democracy within its ranks. At the same time, it has firmly adhered to the principle that democracy must go with centralism, discipline, and responsibility. Thanks to this, our party has been able to avoid turning itself into a club for endless debates and arguments and to head off the manifestations of breakaway, factionalism, and division within its ranks.

Renovation of the party leadership also includes rearranging the party's organizational apparatus to make it more compact, with emphasis placed on quality. The body of the party can be healthy only when it resolutely gets rid of bureaucratic and corrupt elements who want to enjoy special prerogatives and privileges and who do not match their words with deeds. The practice of party building of several Communist Parties recently affirmed the key role of cadre work. If there is no mechanism for correctly selecting, screening, deploying, and using cadres—thus allowing opportunist elements to worm their way into the party, take over key positions, and sabotage the party from within—the party will certainly be threatened with disintegration.

The party's leading role completely depends on its ability to renovate itself. This is an extremely complicated task, but it also is the only way for the party to regain its prestige among the people and to firmly retain the banner of its leadership in all domains of social life.

Footnote

1. Nguyen Van Linh, address delivered at the Nguyen Ai Quoc Institute and published in May 1989 issue of NGHIEU CUU LY LUAN.

MILITARY

Colonel Discusses Training Self-Defense Forces

922E0134A Hanoi QUAN DOI NHAN DAN
in Vietnamese 20 Mar 92 p 2

[Interview with Colonel Hoang Minh Tien, member of the Ha Tay Provincial CPV [Communist Party of Vietnam] Standing Committee and commander of the Ha Tay Provincial Military Committee, by Dao Van Su; place and date not given]

[Text] [Su] Recently, with a thorough understanding of the spirit of Directive 55 of the Secretariat and Decree 29 of the Council of Ministers, Ha Tay Province has taken steps to renovate the organization and operations of the militia and self-defense forces. Has training been renovated and, if so, how?

[Tien] Actually, militia and self-defense training in Ha Tay has begun to be renovated. This will be renovated after organization and operations have been renovated. When the issue of renovating training was posed, we decided that we had to renovate things in an all-around, basic, and systematic manner. That is, we must renovate the training targets, contents, programs, and methods for the militia and self-defense forces.

[Su] Why is such all-around renovation necessary? Was militia and self-defense training in Ha Tay greatly limited? Is it no longer appropriate?

[Tien] That's correct. And it's also true of other provinces. Previously, militia and self-defense training was carried on mainly based on the existing programs and contents of higher echelons. During the training season, the localities again "performed" the familiar lessons. After the training phase or at the end of the year, there were live-firing inspections. No distinction was made between the old and new objectives and so things were very formal, expensive, and impractical. There was a shortage of training materials and equipment in many localities, particularly concerning branch techniques. Thus, every year, the localities fulfilled the training plan, but the instructors and students all felt worn out and tired of things. They could not actually satisfy the need to maintain security and order at the bases.

[Su] Based on the renovation policy, what steps has Ha Tay taken to improve the training situation?

[Tien] Initially, we have renovated military training and political education in an effort to improve understanding and standards in all respects in order to support the plan to prevent and control disorder and the loss of order and security. Cadre training has been carried on in a more practical manner. As for political cadres, for many years, (former) Ha Song Binh Province failed to organize training. In 1991, we resolutely coordinated things with the districts

and cities to train the primary level party committee secretaries who were also serving as village and subward military political officers and self-defense unit political officers. Thanks to using suitable training methods, after the training, 12 districts and cities developed the militia and self-defense training based on the plan to protect the targets in the localities, eliminate the undesirable elements, and coordinate things between the forces. Recently, the province organized discussions on renovating military and self-defense training. This has made the various echelons and sectors even more aware of the significance of renovating training.

[Su] Can you further clarify this process of renovating training in all respects?

[Tien] We are carrying on renovation with respect to three main issues: targets, program contents, and training methods.

As for targets, we have temporarily divided these into five types: village and subward political leadership cadres and heads of enterprise organizations; village and subward military commanders and full-time agency and enterprise military authorities; self-defense detachment leaders and primary school teachers; militia and self-defense forces; and targets connected with training such as provincial military cadres and district, city, and military school heads and deputy heads. Once the targets have been clearly defined, the contents of the training programs for each target will be different and in accord with the real requirements and tasks. As for training formulas and methods, we know that the training must be lively, that things must be observed directly, and that the training must not be "skimpy." We are using four methods to improve quality: studying theory, reviewing the lessons, having regular troops, and conducting integrated reviews. We have implemented a "flexible" mechanism in organizing training based on the conditions in each place. The training can be carried on at the provincial military schools, the party schools, and the village bases or in the districts. Or mobile training can be carried on.

[Su] In the present situation, the most difficult problem is money for training. What steps has Ha Tay taken to solve this problem?

[Tien] In order to solve this difficult problem, the province must use an "open" mechanism in order to exploit the "village custom" factors at a time when there is no "imperial power." Coordinating the economy with national defense and national defense with security, we are making full use of our economic capabilities in order to support training. The mobile militia and self-defense units at the bases are participating in production and maintaining security and order. They are both supporting themselves and contributing to paying the training expenses. Besides this, we are also using funds from various sources:

The local budget based on circulars 02 and 598 of the Joint Finance-National Defense Department.

The national defense and security funds contributed by the people.

The labor man-day fund based on the public labor obligation order. When militia and self-defense forces participate in training, they are exempted from public labor.

Thus, the process of renovating training in all respects has made good progress.

[Su] Thank you.

Colonel on Local Forces, Mass Proselytizing Work

922E0144A Hanoi NHAN DAN in Vietnamese 9 Apr 92 p 3

[Article by Colonel Doan Quang Hop of Hai Hung Provincial Military Command: "Local Forces and Mass Proselytizing Work"]

[Text] Since the country entered the new period, in Hai Hung, a province located deep in the Red River delta, mass proselytizing work has occupied an increasingly important position in the political task of the local forces. Perceiving the need for renovation in soldiers' mass proselytizing work is a process. This is a task one must carry out while learning and seeking new methods of working to gradually overcome old perceptions and outdated ways of doing things which are not wrong but woefully inadequate to meet the current demands.

At present, there are three requirements concerning the essence of the local forces' mass proselytizing work: participating in propaganda and educational activities aimed at informing the people of the party's lines, positions, and policies, in particular those pertaining to agriculture, the countryside, and the peasantry peasantry in the renovation process; educating the people in local military issues; and, at the same time, contributing to the consolidation of political organizations, the reorganization of management apparatuses, and the training of cadres at the grass-roots level. This is not a task that chiefly calls for motivating the people to do local military work—as it did during the war—nor is it limited to "mobilizing the people" to secure popular assistance for troops.

In reality, peasants' activities are closely linked to all social production processes in the rural areas, bind the countryside to the cities, and, in some respects, even relate to the international market....Therefore, propaganda, education, and the mobilization of peasants must be aimed at enabling every one of them to fully understand all the positions and policies of our party and state. Through this effort, and through the success in agricultural production resulting from the implementation of these positions and policies, we must foster the peasants' confidence, heighten their resolve to follow the socialist path, and induce them to reject hostile allegations and erroneous viewpoints by themselves.

At present, the object of mass proselytizing work nowadays differs in many points from that existing during the wars of resistance, when party, administration, mass organization, and military cadres in the rural areas were all of the same mind, sharing the entire people's absolute determination to sacrifice "all for victory." Nowadays, besides the majority of rural cadres who remain worthy of their duties, there is no

small number of others who have forfeited their key position, and there are many corrupt cadres and party members. Wherever the mass movement is weak, it is invariably because the local contingent of cadres lacks the necessary qualities and capabilities to perform their duties. In those places where this movement is inefficacious, the local contingent of cadres no longer plays a vanguard role. Wherever there are controversies, scandals, contradictions, and disputes, there is the involvement of cadres and party members who at times even act as the "instigators" of these disputes and quarrels.

Rural disputes—and, worse still, conflicts—have caused disorder in the countryside, damaged internal unity, and hurt production; sometimes, they have even resulted in homicide and opposition to the grass-roots administration. But, at the same time, they reflected the great value set on land by the peasants and their eagerness to fight for the right to productive labor. Sometimes, these disputes have been caused by the self-interest, factionalism, localism, and departmentalism of grass-roots cadres, including administration and party cadres. In such cases, these quarrels and litigations also have exposed the deficiencies of the grass-roots party and administration apparatuses, thereby enabling the upper-level to see and rectify them and to purify party and administration organizations. Only when we can see these two aspects of this issue as a whole and fully perceive the true nature of each dispute in particular will we be able to adopt a coolheaded and clear-sighted attitude in solving problems, to have unshakable confidence in the people, and to work out solutions in conformity with their legitimate interests. Only in this way will we be able to successfully resolve problems and ward off untoward developments such as turning minor incidents into major ones and transforming quarrels among people into people-administration disputes.

Aside from the rural cadres as mentioned above, nowadays the country folks themselves have undergone new development. Except for those living in a few areas far from urban centers who still suffer from a low cultural level or, worse still, remain illiterate because of poor communications and limited intercourse, not only most youths but middle-aged people as well now have an increasingly better political and cultural level. Moreover, under current conditions, thanks to developed means of information, the people in all regions can receive domestic and world news expeditiously.

With these peoples as its object, mass proselytizing work must be renovated not only in its substance but also in its methods. For the local forces in charge of this task, the most important thing is to bring into full play the strong points of the People's Army and the precious Army-people unity and singlemindedness.

On the basis of the above analysis of their object, the local forces doing of mass proselytizing work also should be divided into two components. The first component should comprise all cadres and combatants who would regularly carry out this wherever their units are stationed. The second component should be organized as work teams composed of 10 to 20 company and field officers carefully trained in the substance and methods of mass proselytizing work. We

must make certain that all cadres in charge of this task have the necessary skills and a firm grasp of the party line, current state laws, and local policies and tasks, are well versed in proselytizing work methods, maintain close contact with the people, and are capable of converting them.

All units, components, and work teams doing regular or ad hoc mass proselytizing work must be placed under the guidance of local party committees and must operate in close coordination with local military, administration, and mass organization cadres. Army work teams should go to the grassroots, make contact with people, and conduct propaganda and educational activities aimed at each family and each person. At the same time, they must listen to public views. By mass proselytizing, we do not merely mean that we should talk and the people should listen, but also we must listen very attentively to what the people have to say, hear the opinions of all sides, show deep understanding for the people's legitimate aspirations, and suggest practical policies and measures to resolve their problems by harmoniously reconciling different interests. It goes without saying that, to win the people's love and trust, soldiers in all places must strictly maintain discipline in their contact with the masses, help the people, and constantly consolidate Army-people relations. In particular, they must regularly draw experience from the task of firmly maintaining Army-people unity and from the fact that soldiers are carrying out mass proselytizing work in a constantly changing situation.

Changes in Military Financial Management Noted

922E0134B Hanoi QUAN DOI NHAN DAN
in Vietnamese 23 Mar 92 p 2

[Article by Lieutenant General Le Khoa]

[Text] With a thorough understanding of the resolution of the Sixth National Party Congress and the resolution of the seventh congress in the renovation movement of the country, the military finance sector has achieved good results in gradually renovating things. In particular, since 1991, a number of tasks have gradually been put on the right track.

Thanks to switching from a material supply mechanism to a mechanism of monetizing the systems and standards, decentralizing expenditures to the lower-level units has been expanded in accord with the market mechanism. This has ensured that financial matters are handled more promptly and in a more rational and effective manner. The units can buy commodities in accord with their needs, quality is better, and there has been a reduction in waste, losses, and corruption caused by the involvement of too many levels. Transportation expenses have been reduced, and the system of intermediary storehouses has been reduced in size. This has saved a lot of money. The production and commercial units have renovated their financial management formulas, gradually revised the management mechanism, implemented favorable policies for various targets, given help to the units that are encountering many difficulties so that they can stand firm at a time when prices are fluctuating, provided help in handling things when goods can't be sold, and boldly invested so that the units can operate effectively.

The production and commercial units have been encouraged to improve the quality of cost accounting based on using the assets efficiently, economizing, calculating expenses, and stabilizing sale prices in order to earn a higher and higher net profit, improve the standard of living of the laborers, and fulfill their obligation of contributing to the budget.

Entering 1992, the state's economic and financial situation is still unstable, and there are still many imbalances. The consequences of the bankruptcies and unpaid debts in many sectors and localities have not been resolved. Inflation continues to rise, and prices are unstable. The needs of the military are increasing greatly at a time when the state budget for national defense has increased very little and there are many difficulties in finding sources of revenues within the military. Even though the conditions for improvement are no better than last year, the military finance sector must satisfy the needs, support the military tasks better, and, at the same time, stimulate better economic results in order to contribute to balancing the budget and maintaining the standard of living of the troops.

In order to reduce budget expenditures, the most important measure is for the financial organizations to tightly control the number of troops based on the staffing stipulated. Recruiting and assigning troops must be done in accord with the plans. Recruitment must not be done too soon, troops must not be assigned too late, things must not be extended, and things must not be "amassed" at the end of the year. This will reduce unnecessary expenses. The financial agencies, together with the sectors, must reexamine the expense norms and make rational use of the funds. In particular, great emphasis must be placed on prices. In a market economy, if the same type of commodity of similar quality sells at various prices, if people buy at a lower price, they can save much money. But buying at a low price and recording high prices on the statements in order to profit must be avoided. The pros and cons of compensating for prices must be weighed, and prices in each region and in each period must be maintained in order to make rational decisions and avoid wasting budget funds. Controlling norms and prices and going deeply into controlling the production process and capital construction bids are complex activities containing many loopholes that could give rise to negative phenomena. At a time when there is a budget deficit, things must be calculated very carefully. Extravagant and wasteful expenditure items must be eliminated. Money must be allocated only for the items already approved, and funds for this item must not be used for some other item, because the budget funds allocated for the units have been balanced with respect to needs and capabilities throughout the military and priority has been given to the key points.

A major difficulty in the finances of the units today is the lack of money because of the effects of inflation. This is a common difficulty of society, and it also affects the military. This situation will probably continue. The military finance sector must actively implement measures to overcome this. The Finance Department has worked with the State Bank at the central echelon and in the localities and given priority to providing cash to the military. And when necessary, in

special circumstances, direct aid can be given. The units must formulate very clear expenditure plans, limit cash expenditures, and strengthen transfer-type expenditures. Units that sell goods or provide services to each other should not demand that all or even most of the amount owed be paid in cash. For the common good, each unit should not reserve too much cash, which will just cause more difficulties, make it difficult to stabilize the situation, and give rise to negative phenomena. When cash is scarce, a number of units look for ways to exchange their cash for checks in order to make a profit. This violates principles and is immoral. This must stop immediately.

Along with economizing, exploiting the revenue sources must rely on production and business activities so that these sources constantly increase. Along with promoting domestic production and business, the scope of joint ventures with other countries must be expanded. This is a work direction with bright prospects, but we must be very careful. The finance agencies must thoroughly review the management functions in order to ensure that production and business is carried on in accord with the laws and in accord with the guidelines of the military. Illegal activities and smuggling must be resolutely opposed. Capital must be boldly invested, but this must be done at the right place and right time based on serious and scientific economic arguments. Priority must be given to investing in renovating industry and technology, producing a greater variety of products, and finding stable markets. The quality of economic accounting must be improved, and production and business activities must achieve greater and great results in order to improve the lives of the troops, accumulate capital for the budget, and contribute to balancing things in general.

Opposing negative aspects and corruption, which is one of the important tasks of the military finance sector today, must be carried on more resolutely. Inspections must be made on a regular basis, and violations must be discovered promptly in order to deal with them. In the past period, a number of finance units and agencies have not manifested their managerial functions in order to promptly block negative phenomena, and occasionally, they have even sympathized with those engaged in such negative phenomena as smuggling, the appropriation of assets, and so on. Some finance cadres have stolen money from the funds, engaged in corruption, and accepted bribes. The failure by the finance agencies to perform their functions and the decline in the quality of the finance cadres must be dealt with firmly. Such people must resolutely be expelled from the finance sector.

In order to complete the above tasks well, attention must be given to building a strong finance sector. In this, one of the most important tasks is to train and improve the quality of the cadres. Today, most of the military finance cadres who were trained at regular schools have college or vocational middle school standards. However, as compared with the present requirements, they need even more training. Managerial theory, knowledge concerning a market economy, foreign language skills, and knowledge concerning information technology and computers are practical matters concerning which cadres, depending on their own particular

situation and work position, must strive to improve themselves. This is the only way to keep pace with development.

ECONOMIC

Articles Discuss Foreign Investment in Hanoi

Last Four Years Viewed

92SE0231A Ho Chi Minh City TAP CHI THUONG
MAI in English Mar 92 p 32

[Article by P.N.T.: "Four Years of Foreign Investment in Hanoi (1988-1991)"]

[Text] By the end of 1991, forty three foreign-invested projects came into being in Hanoi area with the total license-registered investment fund of 345 million USD.

The distribution of invested areas was as follows: 11 for the construction of hotels and business offices, 10 for transaction services, 15 for industrial production, 5 for communications and postal service, 2 for foods and agriculture. Twenty two of them were under direct management of Hanoi Administration with the invested capital of 134 million USD and legal capital of 51.3 million USD in which the equivalent of 15.7 million USD was contributed by Vietnam side.

Some Remarks:

Compared to the situation of the past few years, increasingly favorable conditions can be seen in Hanoi today with the urgent upgrade of roads, railroad and waterway system linking various provinces in the Sino-Vietnamese border area together.

The telecommunication network has been modernised step by step in adaptation to the international system. The source of energy in electricity and coal is within close reach, abundant and stabilised as well. The capital city's workforce is mostly young, fairly well cultured enabling quick absorption of production technics.

The majority of research institutes, universities of the North is concentrated in Hanoi with a team of scientific technicians accounting for 40 percent of the whole nation's brain source. In addition, Hanoi's problems arising from investment cooperation process have been solved more quickly and easily through coordinated actions with various state organisations than in other localities. With its important geographical location and role, the capital city is getting continuing state concern on investment.

—The flow of foreign investment into Hanoi has been increasing both in project quantity and in funds. Within the period of 1988-1991, the forementioned situation can be indicated as follows: (Number of projects/million USD):

2/6, 10/93, 14/100, 21/151. Compared with other localities of the entire country, Hanoi stands behind Ho Chi Minh City only.

In a general view, the projects licensed in Hanoi have been getting higher reliability and faster negotiation speed while the knowhow of officials in charge of investment operations

has been quickly upgraded. At the time being, the main business investment operated by small and average-sized companies has been chiefly directed to quick capital-recovered areas such as hotel, services or the importation of certain commodities bearing substantial differences in foreign trade value.

Though being in line with priority orientation of the city's economic planning, some large infrastructure construction projects are encountering difficulties in funds, land provision procedures, building license and construction site clearance...

The number of projects invested in industry was not in small quantity but on small scale and chiefly on the basis of labor-paid manufacture, processing and assembly of semi-finished products without reaching remarkable technology transfer.

—Several confusions have taken place in the import-export of goods and evaluation of properties and in capital contribution to the joint venture. The incapability of some broker companies has resulted in license withdrawal and this was mainly due to the failure to fulfill the capital funding by each investing partner.

Undertakings To Be Followed

Entering 1992, Hanoi has better concentrated its activities in the appeal for capital fund, improving indeed the investment environment. The Capital should find ways to get available various essential material conditions to meet investment requirements such as better finalising general planned projects, selecting preferred investment fields, carrying out beforehand the clearance of construction site, building infrastructure power and water supply stations...

The municipal budget has also funded a few billion VN dong to back up various organisations in establishing pre-feasibility projects only to be refunded free of interest after licenses have been granted. For certain particular projects, the Central Government should grant favored capital loan so that Vietnamese side can increase the proportion of its contribution in the investment project as coordinated steps between Central Government and local economy, between Hanoi and other localities so as to form big incorporations in proportion to their foreign counterparts. This can be carried out in such joint venture projects as in electronics, mechanics, motorcycle and automobile assembly...

—Develop the programme of domestic capital mobilisation, exploit the economic potential of the populace in every economic element and support various investment programme.

—Hold seminars introducing investment to Hanoi, establish list of preferred investment projects for Hanoi area to substitute that of 1989 for better suitability.

In 1992, economic organisations under Hanoi's direct management have obtained 25 new investment licenses with total investment fund of over 600 million USD.

As far as 1995, Hanoi expects to concentrate investment in the following projects: Construction of a combination complex of textile spinnery—weaving mill—garment factory

with production output of 60 thousand rolls of textile thread per year, construction of infra structure for the industrial complexes of Sai Dong, Nguyen Khe, Cau Dien, Yen Hoa, development of the tourist area around Ho Tay, of the cultural park of Vietnamese ethnics at Nghia Do-Xuan Dinh and the continuation of other small projects such as footwear, leather, simulated leather, packaging paper, food and fruit processing...

Some Suggestions:

The Government should quickly review and perfect the law system in connection with foreign investment in Vietnam. In the phase to come, some more loose [as published] could be made for a few areas such as land rent (particularly land for industrial investment), import-export tax imposed on economic enterprises operating with foreign invested capital.

—The existence of a concrete policy of domestic investment which is an essential motive in the strategy of national economic development.

—Improvement of banking policy in connection with foreign organisations undertaking sponsorship and loans. Sooner decision be made in granting license to foreign banks for the opening of their branches in favor of currency market development.

—Study and realize step by step shareholding in Vietnamese business organisations, allowing foreign companies and individuals to purchase these shares.

—Internal Affairs, Foreign Relations, Commerce, Tourist and Customs organisations should improve procedures in entry-exit visa issuance and travel permit for foreigners and in issuing license for the import-export of goods, and in project evaluation, consideration system.

—The Ministry of Labor should make supplementary promulgation of policies in recruitment, wages, insurance in connection with the workers employed by the organisations operated with foreign-invested capital.

—Establish a special policy for the Capital city, regarding Hanoi as an organ enjoying the favored statute of an export processing zone stated in Decree No. 322/HDBT dated 18 October 1991.

With regard to the ADO fund, Hanoi should be granted some favored part so that it may quickly overcome its weaknesses of infrastructure facilities as they are existing today.

Direct, Indirect Investments

92SE0231B Hanoi VIETNAM COURIER in English
30 Apr 92 p 9

[Excerpt] [passage omitted] The Hanoi People's Committee has made a list of projects to be invested with a capital of 1.5 billion US dollars. Under the guidance of the Council of Ministers, Hanoi has worked out an overall plan up to 2010 to orient the development of tourism, services and the building of the City.

The results achieved so far have been satisfactory.

Direct Investment

In 1988, the State granted two investment licences totalling six million US dollars. In 1989, ten permits were issued including one contract of joint business and joint venture and one with 100% foreign capital totalling 93,046,650 US dollars. In 1990, 14 others were granted with an invested capital of about 100 million US dollars and in 1991, the number rose to 21 licences, totalling 150.8 million US dollars. The total foreign investment capital in Hanoi in the past four years was about 350 million US dollars: 10 projects in the field of services, 11 in hotel and office building, 15 in industrial production, 2 in agriculture and food industry, and 5 in post and communications.

The number of projects directly placed under the City's control amounted to 22 with a total investment of 134 million US dollars. Their statutory capital was 51.5 million US dollars with a Vietnamese contribution of 15.7 million US dollars.

Indirect Investment

At present, Hanoi needs to improve its power transmission line and its system of water supply. The Government of Finland continues to help Hanoi carry out the third stage of the water-supply programme (1988-1990) with 115 million Finnish *markka*. After completion of this stage, the total volume of water supplied under this project will reach 400,000 cubic metres per day and night and about 70 per cent of people living in the inner city will have proper water supply.

Looking back at the four years of open-door and foreign-investment policy in Hanoi, the following remarks can be made:

- The tempo of investment by foreign companies in Hanoi has steadily increased as far as the number of projects and total investment capital are concerned. Hanoi ranks second in the country after Ho Chi Minh City.
- There have been investors in the industrial field: processing industries, assembly of products with imported parts.
- The projects authorized by the State are subject to rapid negotiations, their files are trustworthy and they are highly feasible. The projects licenced in 1991 have rapidly and steadily developed.

Nevertheless, the above results are not commensurate with the potential and requirements for development of Hanoi as the capital of the whole country. For its part, Hanoi will, in the coming years, make every effort to attract more foreign investment. It proposes to the State to promulgate priority policies concerning investment projects in Hanoi, for instance, an adequate tax policy, i.e. lower tax rates or tax-free for some time, lower costs of electricity and water, lower rent, longer duration of investment, and so on.

Hanoi's construction requirements are great; the fields which have a big potential include building of infrastructure, hotels, offices, commercial centres, houses for foreigners, people's residential quarters, repair and upgrading of roads and highways, assembly and production of cars and

motorcars, electronics, computers and robots. Processing of food, production of beverages, leather goods, textiles, and engineering belong also to the field in which Hanoi has a fairly big potential and need to be adequately invested. For its part, Hanoi continues to train a contingent of qualified cadres to enable them to work well with foreigners. In particular, it is striving to improve the city's infrastructure to attract foreign investment. It also tries to streamline its administrative apparatus and overcome bureaucracy, thereby creating favourable working conditions for foreigners.

Minister Interviewed on Oil-Gas Law

922E0137A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 10 Mar 92 pp 1, 2

[Interview with Minister of Heavy Industry Tran Lum by Khac Binh: "An Oil-Gas Law is Needed To Guarantee National Interests and Encourage Foreign Investment"]

[Text] Oil and gas are strategic natural resources the management and exploitation of which are monopolies of the state. The promulgation of an oil-gas law is necessary to manage that sphere in accordance with the international situation. Countries with oil and gas normally promulgate their own oil-gas law. At present, more than 50 oil-gas laws are in effect in countries around the world. During an international seminar on Vietnam's oil-gas law held in Vung Tau on 5 and 6 March 1992 Tran Lum, minister of heavy industry, who presided over the seminar, was interviewed by a SAIGON GIAI PHONG reporter on some questions relevant to the draft oil-gas law that is about to be promulgated.

[Reporter] Would you tell us, in a summary way, about the process of drafting Vietnam's oil-gas law?

[Tran Lum] In Vietnam, there are good prospects for developing the oil-gas sector. A special characteristic of the oil-gas industry is that large capital investments and modern technology require international cooperation. In order to guarantee our national interests to the maximum and encourage foreign investment the prompts promulgation of Vietnam's oil-gas law is an urgent requirement and is in accord with the international situation. After many years of collecting information, researching, and studying the oil-gas laws of foreign countries, in 1989 the Oil-Gas General Corporation began to draft Vietnam's oil-gas law. In 1990 the oil-gas law drafting subcommittee of the Ministry of Heavy Industry was formed, with the financial support of the UN Development Program (UNDP), which sent legal and economic advisers to help draft the law. With the close cooperation of the office of the National Assembly, the People's Council, the office of the Council of Ministers, the Ministry of Justice, the Ministry of Finance, the State Commission on Cooperation and Investment, the Ministry of Commerce and Tourism, etc., the subcommittee on drafting the oil-gas law has organized 10 seminars with the ministries, the sectors, specialists, and attorneys to solicit opinions on amending and supplementing the draft law.

[Reporter] On what basis was the oil-gas law drafted and with which points were the Vietnamese attorneys most

concerned in the process of drafting it? [Tran Lum] The oil-gas law was drafted on the basis of the general rules that are being applied broadly in the international oil and gas industry and on the special characteristics of Vietnam. It is a basic legal code that consists only of the most basic principles, in order to create a basis on which to promulgate such legal documents as model decrees and contracts, regulations, circulars, etc. Legal scholars with much experience in Vietnam and abroad who participated in drafting the draft law paid much attention to the rationality of the economic articles in order to guarantee the interests of both parties—the Vietnamese state and the investors—and to encourage foreign investors to cooperate much more with Vietnam. Even in its preamble the oil-gas draft law affirms that the goal of the Vietnamese state is to exploit and use the oil-gas natural resources rationally to meet domestic consumer needs, develop the national economy, promote exports, and cooperate with foreign countries.

[Reporter] Would you tell us about the goals and results of the international seminar on drafting Vietnam's oil-gas law?

[Tran Lum] The goal of the international seminar was to listen directly to the opinions of the foreign corporations, the primary focal points of implementation when the law is promulgated. In cooperating in doing business with Vietnam, the foreign corporations all want to have an oil-gas law. Fifty corporations and four joint venture enterprises that participate in exploration, exploitation, and oil-gas services with Vietnam, or have projects for cooperative marketing with us in the oil-gas sphere, sent representatives, along with experienced lawyers and representatives of private consulting companies and banks of the companies attending the seminar, and they contributed valuable opinions.

[Reporter] How will the contracts that have been signed in accordance with the form of dividing products among the corporations that are cooperating with Vietnam in exploring for and exploiting oil and gas be implemented after the oil-gas law becomes effective?

[Tran Lum] The oil-gas contracts that have been signed, which are at different levels of implementation, will still be valid after the oil-gas law becomes effective. If a provision of a contract—for example, one regarding the protection of natural resources, the environment, labor, etc.—is contrary to the law, the two parties—Vietnam and the foreign corporation—may negotiate rational adjustments.

[Reporter] In your view, how long will it take for the National Assembly to approve the oil-gas law, and will any documents be promulgated at the same time as the law?

[Tran Lum] After the international seminar, the draft oil-gas law will be supplemented and amended a final time so that the Council of Ministers can review it at the end of March of this year before it is submitted to the State Council and the National Assembly. The most important accompanying document, the decree implementing the law, has been prepared so that it can be promulgated at the same time as the law. With the oil-gas law the state will have complete control in directing and managing the oil-gas activities in

Vietnam. We hope that Vietnam's oil-gas law will be considered by the National Assembly during its next session.

[Reporter] Thank you.

Rice Export Problems, Suggested Solutions Noted
922E0140A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 23 Mar 92 pp 1, 5

[Article by D.T.: "So That Rice Exports May Be Unimpeded and More Profitable"]

[Text] Editor's Note: The conference on "Economic-Social Development Strategy in Nam Bo," held in Ho Chi Minh City in September 1991, assessed Nam Bo as having good conditions for developing its potential rapidly and having a rapid rate of economic growth, as being an economic region that takes the initiative in stimulating the development of the entire nation. Under the conditions of competition, exports are developed on the basis of the advantages vis-a-vis natural resources and people of each region. In 1991, national grain production amounted to 21.7 million tons in rice equivalent. The Mekong Delta accounted for more than 9 million tons. Therefore, grain prices were relatively stable and it was possible to export 1 million tons of rice. In 1992 the rice export plan has been increased to 1.2 million tons. That is a feasible plan. This year all of the rice crops in the Mekong Delta were successful. But as Tran The Loc, vice minister of agriculture observed, "Successful harvests are both welcome and worrisome!" Why?

Capital-Cash Problems: Everyday Matters

Official letter No. 585 of the Council of Ministers, dated 21 February 1992, recommended that the Ministry of Finance immediately provide 100 billion dong in cash to Central Grain General Corporation II, an important rice marketing unit in the Mekong delta and an organization that does rather brisk business in marketing rice. A month later, on 21 March 1992, the general corporation received only about 5 billion dong, one-twentieth of the amount approved by the Council of Ministers.

The commodity rice output of the Mekong Delta during the winter-spring season of this year was estimated at 2.5 million tons, which added to the 500,000 tons left over from the 10th month season brought the total to 3 million tons. The rice exporters needed 3 trillion dong to buy all of that rice. Because they lacked capital, many rice export-import units had to suspend purchasing. The price of rice, which was 1,300 dong per kilogram at the beginning of the season, fell to 700 to 750 dong per kilogram and the best rice sold for only 800 to 850 dong per kilogram. As rice prices fell the units responsible for doing business in grain were still waiting for capital to buy rice from the people and the peasants were victims of arbitrary pricing. The state controls rice export prices primarily so that the peasants will not be victims of arbitrary pricing, but in the end the profits did not go to the people who produced the rice.

How Can the Rice Be Sold?

In a market economy, product quality is one of the competitive factors. Over a period of three years after entering the world rice market, the quality of Vietnam's export rice has

gradually improved. If in 1989 95 percent of Vietnam's export rice was 35 to 45 percent broken, in 1990 that figure declined to only 49 percent; 30 percent of the rice was 15 to 25 percent broken and the remaining 20 percent was 5 to 10 percent broken. In 1991 good rice (5 to 10 percent broken) attaining Vietnam's export standards increased to 38 percent and the 35 to 45 percent broken rice accounted for only 24 percent. To attain those accomplishments, the peasants planted new rice varieties (long-grained, solid rice with little breakage) and the rice milling sector improved its technology to produce polished white rice and met the export standards of the world market.

However, the search for foreign rice markets for Vietnamese rice is still in a situation of stagnation. In 1992 only one market (at the governmental level) has been found, in Malaysia.

As of the end of February 1992 the southern provinces had exported only 150,000 tons of rice. Meanwhile, nearby markets and distant ones, such as Africa, are still neglected.

The domestic market for Vietnamese rice must also receive adequate attention. The private rice agents and the wholesale rice stalls at the central markets may be locations for marketing considerable amounts of the peasants' rice.

"Miscellaneous Expenses" Burden Export Rice

A lot of trouble is involved in transforming a kilogram of rice obtained from the peasants into export rice. It is burdened with provincial exit taxes, transit taxes, export taxes, commercial income taxes, personal income taxes, interest on loans, circulation and storage expenses, and inspection fees by three units: Vinacontrol, Vegetable Disease Control, and Customs. The production cost of export rice increases greatly because of expenses of all types, some of which are duplicated, so at the state's controlled selling prices the units dealing in rice exports do not make much profit.

One of the "fees" about which export-import units complain the most is the interest rate on bank loans. Several months are required to buy rice, process it, package it, and wait for the time when it is exported. For example, the price of a kilogram of high-quality rice is 2,300 dong at the warehouse. The 3.7 percent interest on a three month loan increases the price of the rice by another 250 dong, to 2,550 dong. If we add a price adjustment ratio to account for capital, depreciation, and workers' salaries (not including the various kinds of miscellaneous expenses), the export price becomes 2,750 dong per kilogram. How much profit is left? That is not to mention a number of commercial units that must pay interest to banks to buy rice for reserves, as ordered by the state, high storage expenses, and rice prices falling by one-half (from 1,300 dong per kilogram to 700 to 750 dong per kilogram.)

The immediate losses of rice exporters may be expressed in the form of specific numbers. The losses of the producers may also be calculated: If peasants could buy a kilogram of urea fertilizer by selling two kilograms of rice they could earn a profit, but at present, although the price of fertilizer has declined (it is now 1,800 dong per kilogram) to buy a

kilogram of fertilizer they must sell 2.5 kilograms of rice. They cannot but be disgusted when for every 100 kilograms of fertilizer they must buy the rice growers lose 50 kilograms of rice in comparison to the past.

Some Feasible Solutions

The world rice market is usually most active in the second and third quarters every year and is busy from May to July and August. The main part of the winter-spring rice crop harvest is from mid-March to the end of April. Thus the present time is right for buying and processing rice in preparation for exporting.

Perhaps the Vietnamese rice exporters should make greater efforts to find stable, long-term customers. Perhaps they should implement the policy of "exporting little but profiting much" by concentrating on producing high-quality (5 percent broken) rice. At the same time, the business practices between buyers and sellers must be improved in order to have more customers.

Encouragement of rice growing and price supports for rice, a valuable export, are matters that require full attention by the state and appropriate measures, beginning with price support in purchasing rice (a supplement of .5 kilogram of rice per kilogram of fertilizer) so that the people can produce contentedly.

Agriculture in general and the peasants in particular are waiting for support and macro-regulation by the state, which must adopt such timely and practical policies as encouraging agriculture and helping stabilize the market.

Commerce Minister Views Export-Import Issues

922E0138A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 19 Mar 92 pp 1, 5

[Interview with Minister of Commerce and Tourism Le Van Triet by SAIGON GIAI PHONG reporter Anh Khue; place and date not given: "About the Messy Situation of Quota Allocation and Issuance of Export-Import Permits"]

[Text] Editor's note: A Ministry of Commerce and Tourism conference to review 1991 and to discuss guidelines for activities in 1992 was held in Ho Chi Minh City from 16 to 18 March. On this occasion, our SAIGON GIAI PHONG reporter interviewed Minister Le Van Triet on a number of issues that have been the concern of many people, such as distribution of import "quotas," issuance of export-import permits, renovation of export-import management, renovation of activities of the state-operated commerce, cooperative commerce, and so on. Following is the text of this interview.

[Anh Khue] For some time public opinion has raised questions about many negative and illogical aspects of the allocation of quota and issuance of export-import permits. How do you view this issue?

[Triet] Ever since the ministries still were the Ministries of External Economic Relations, Home Trade, and now Commerce and Tourism, nobody among the heads of these ministries dared to affirm that there were no negative aspects in the distribution of quotas. This failure to affirm

the negative aspects, which were known to exist but could not be exposed, was the reason why these ministerial heads have been suggesting that the State Inspection Commission, Supreme Organ of Control, and Ministry of Interior check on this work of the Ministry of Commerce and Tourism. In fact, the three organs had been sending cadres, specialists, and inspectors to work with the ministries of External Economic Relations, Home Trade, and Commerce and Tourism on several occasions in the last several years. But so far, these law enforcement organs have not yet made any conclusions on any negative internal work in regard to the distribution of quota, nor has anybody told us specifically where and who in our ministry that have shown negative work in this issue.

[Anh Khue] But why did many people in the public say that there are negative aspects?

[Triet] It is true that such an opinion has existed. It is true that there are negative aspects in this issue. In my opinion, it is because the quota allocation mechanism is not correct. In the past, we had the kinds of quotas distributed by the Council of Ministers; the timber quotas by the Ministry of Forestry; the quotas of ready-made clothing by the Ministry of Light Industry; the quotas of rice, rubber, coffee, and various farm products by the Ministry of Agriculture and Food Industry. As to the Ministry of Commerce and Tourism, it is responsible for only monitoring but not distributing quotas. The allocation of quotas involves the ministry, provinces, municipalities, and so on, but it does not involve those who are directly engaged in export and import; for instance, the Ministry of Agriculture and Food Industry, or the Council of Ministers, allocates rice quotas to ministries, provinces, and municipalities, and later sectors and localities distribute rice to their own units doing export-import production and business. Therefore, a situation has existed in which many quota recipients did not have capital, nor customers and a market, but those who were able to satisfy these conditions did not get any quota.

[Anh Khue] What about the situation of "selling quota" or "reassigning quota?"

[Triet] These ways of distributing quotas have been very widespread. There were occasions, in some years, when the whole country had as many as 70 units being quota recipients, when rice export quotas even amounted to 2.5 million tons of rice while we were actually capable of exporting only about 1.5 million tons. That situation has led to the fact that more and more people would get quota distribution and that when they had the right to use the allocated quota, it would be impossible to avoid abuses in the form of reassigning contracts, and nobody has dared to mention what was taking place behind such a reassignment.

[Anh Khue] Then how should we "re-plan" the quota allocation to make it more appropriate? Who are going to allocate, and to whom allocation is going to be made?

[Triet] The Ministry of Commerce and Tourism has made recommendations to the Council of Ministers and has received agreement and support from other ministries and localities in regard to reducing the number of goods being managed under the quota system. We have decided that

whatever would not need to be managed under the quota system should not be placed under it. For instance, rubber, coffee, and so on, which are the kinds of goods that we are not bound by obligation to any foreign countries to sell or barter, this year are excluded from the list of quota goods. Only rice comes under the quota system for export goods because we have to ensure grain supply stability inside the country to avoid any trouble in the case of crop losses, and so the total volume of rice export must be under control. The Ministry of Agriculture and Food Industry, which is responsible for the management of rice production, must watch domestic needs, agricultural production conditions, our ability to reach the projected productivity and to harvest crops, and grain reserve needs; at the same time, it must calculate the level of surplus being available for export and report it to the Council of Ministers and State Planning Commission. The Ministry of Commerce and Tourism is responsible for considering the total level. After the total level has been considered, the State Planning Commission and the Ministry of Commerce and Tourism (on the basis of recommendations of the Ministry of Agriculture and Food Industry) recommend that the Council of Ministers approve the total level of 1.2 million or 1.5 million tons of rice to be exported this year. After the total quota has been set, i.e., after the Council of Ministers has approved the limit for total rice export, the Ministry of Commerce and Tourism is responsible for considering this quota for the purpose of allocating it.

[Anh Khue] What mechanism does the Ministry of Commerce and Tourism adopt for allocating the quota this year?

[Triet] This year, as for rice which is both a commodity to be managed by quota and a major commodity, the state assigns a number of business units to handle it. But the expectation is that only 60 percent of the total of 1.2 million tons will be assigned to larger units, and the remaining 40 percent to any units that satisfy commercial requirements, have customers, reach good prices, and have contracts. We thus respect the units that do business in rice and at the same time make sure that the state get the necessary foreign currency to import gasoline, oil, and strategic materials. If any units that are distributed quota shares are unable to fulfill them, other units that may have fulfilled their quota but have good capabilities in terms of customers, market, contracts, and "low" prices will be allowed to get additional quota shares; our ministry, therefore, does not select only those units that last year fulfilled 10,000 tons or more and assign them this year a fixed 60 percent of last year's share. The reason is that if we allocate fixed shares like that and the assigned units are unable to fulfill them, it will limit the ability of other units that are capable of fulfilling more. To do this in a proper manner will limit the situation in which quotas are bought and sold.

[Anh Khue] How about the issue of export-import permits?

[Triet] I think that the export-import permit issue is the same as the quota issue. That is to say, I cannot rule out the possibility of negative aspects existing behind it, which the law enforcement organs have so far failed to reveal positively.

[Anh Khue] Many people have complained that in order to have an export-import permit, one must spend 1 million

dong to go to Hanoi and another 1 million to return, and this does not include other living expenses and money for taking care of the negative aspects.

[Triet] Not everybody who goes to Hanoi is applying for an export-import permit. In the last few years, our ministry has set up permit-issuing offices in six different locations. Any units that have goods, have contracts in good order, and comply with all regulations can go to the nearest permit-issuing office to apply for a permit and do not need to go all the way to Hanoi to do so. Most of the people who go to Hanoi are not a legal person capable of signing contracts with foreign countries, but they go there to meet, instead, trade partners and "intermediary corporations." They deliberately handle tons of goods for them in spite of the fact that they do not have a permit, nor enjoy the status of a legal person. In these cases, it is correct for the permit-issuing offices to categorically refuse to grant them permits. When they are refused to be granted permits even while in Hanoi, they try to seek this connection or that connection in order to get help. Some corporations did sign contracts involving as much as 10,000 cubic meters of timber, or dared to sign contracts involving 500,000 tons of rice while the entire province did not have enough rice to eat. Others even took the money from customers and failed to deliver any goods and were denounced by foreign countries.

[Anh Khue] How about the concern of those people who wonder why only the Ministry of Commerce and Tourism is now issuing permits?

[Triet] The division of the authority to issue permits among whatever ministries, provinces, and localities and among such and such ministers and chairmen had led to the situation in which permits were issued indiscriminately, and in which no attention was paid to how much goods a locality had imported or sold, nor to the fact that people had no understanding of customs, contracts, and international payment practices. To be truthful, it was not ministers, chairmen, and vice chairmen but rather specialists in various sectors and localities who had been doing things wrongly by just submitting recommendations for signature.

We know that presently people are seeking very many connections, and not just those in the Ministry of Commerce and Tourism, in order to obtain export permits. A case in point is this: Although in November 1989 the state issued an order to ban the export of lumber and cut timber, many localities had been exporting them still. In April 1990, the Ministry of Forestry had to issue a document to remind people of the ban; again in February 1991, the government continued to issue the ban, and yet even now people still would sign export contracts and explain as excuses that their locality had to build a school, or a border road, or had to get money to pay cadres' pension, allowances to disabled people, families having no breadwinners, and so on. And even at this conference, there were people who asked to be allowed to export timber and explained as excuses that they had already signed a contract, or obtained a letter of credit, or signed an "irreversible letter of credit" contract, and that if their case were not resolved, their corporation would go bankrupt.

[Anh Khue] But what do we accept, bankrupt corporations or forests continually being destroyed?

[Triet] We cannot accept waiting until after the complete destruction of all forests before closing them down. We cannot let ecological strata and environmental conditions be destroyed, nor water in water conservancy and hydroelectric power project reservoirs disappear so soon after a rainy season because waterheads are no longer protected by forests.

Consequently, the mechanism for export-import management must be further improved if we want to "close corners" in order to make our activities comply with the law. We do not protect and argue in favor of the permit-issuing teams and ministry's staff members who have committed negative acts, but instead we strongly wish that the law enforcement organs, including the press, along with the Ministry of Commerce and Tourism discover these negative acts so as to impose appropriate punishments on any violators of the law and to improve, through reorganization, the quality of our ministry's machinery as the organ that has to properly satisfy the need for development of commerce and tourism, including export-import. We have set up six offices that issue export-import permits. The people who work there must have an appropriate knowledge of foreign trade law, contract law, and international business practices, and good behavioral and moral background, if they are to work effectively.

[Anh Khue] What do you think we should do in terms of renovating export-import business operations to fit the market mechanism and to fully exploit the country's potential?

[Triet] This is a major issue in the overall strategy of export-import development. In my opinion, there must be renovation in regard to the economic mechanism and planned allocation of goods, which must strongly switch to processing to avoid exporting just unprocessed raw materials. If we continue to export the latter, we will be unable to increase the amount of money they bring to us, our country's resources will continue to be gradually depleted and will fail to play the role of being the economy's driving force. In addition, the value of exporting unprocessed raw materials is not much. In fact, the goods that we export all go to Hong Kong, Singapore, and so on where they are processed before going to Europe and America. After the goods are processed, their value goes up tremendously. So why should we not process our goods before exporting them in order to increase their value, to create jobs, to raise our country's industrial capabilities from the processing level, and to have a base for further development in our future industrialization? Along with this strategy, we must produce main-force goods for export, instead of exporting just whatever we are able to collect here and there, on a small scale. We are in a state of affairs which looks almost like we are running around to collect things here and there for export, instead of making main-force goods in order to have strong sources of goods and to establish Vietnam's "commodity posture" in the world market.

At present, Vietnam's strong goods only include rice, crude oil, and sea products, which also remain unprocessed and

are far from a real main-force item. The reason is that main-force goods must be major ones, with the value of each of them reaching hundreds of millions of dollars. Consequently, we must create at any cost main-force goods, in the form of processed items of high quality and good industrial standard, so as to have goods for export. To renovate in this manner is appropriate for the market mechanism and the exploiting of the country's potential, including our labor and resource potential.

[Anh Khue] Some people think that our export-import activities must be centralized and that there must be fewer intermediaries, but others think that as we adopt the market mechanism, we must enlarge them and manage them very efficiently. Between the two opinions there is no definite decision yet. What do you think is appropriate for the present situation of our country and the general development tendency?

[Triet] To answer this question I would like to again point out the definition of intermediaries. For instance, if I produce a commodity item, is it right or wrong, good or bad, for me to go out and sell it directly to a consumer without going through anybody, any intermediary at all? Is this way of selling it the market mechanism and commodity economy? If we say it is right, we are referring to the concept of commodity economy in its rudimentary form back at the time of artisans' workshops—a worker making a shovel or a hoe and swapping it for some cloth from a weaver. To understand the commodity economy in such an elementary manner, in my opinion, is wrong. The reason is that today's commodity economy is highly centralized, intensively organized, and very much planned, rather than unplanned. What we oppose is bureaucratic centralized planning—to assign goals from "a superior center," which harshly restricts doing business freely—and what we do not oppose or deny is a planned economy. Any country or any economic unit that does not operate in a planned manner cannot survive. What is the correct tendency, to enlarge in order to let many corporations operate, or to narrow in order to centralize? In my opinion, to answer the question of right or wrong we must plan to have a legal base in business. People who comply with the law have the right to do business. Among export-import organizations those units that have the status of legal person, are properly organized, and pledge to fully observe the law have the right to do export-import business, which is by no means limited among those who say that they are minister, chairman, director, and so on, and that they have to produce these goods, have the right to sign statements on the establishment of their corporations or enterprises, issue seals, affirm their status of legal person, but actually have no capital for doing business. Nobody has the courage to establish many corporations and enterprises that satisfy the conditions for being legal persons but have no capital for their operations.

Intermediaries in both production and business are necessary. They constitute a chain of organized circulation of goods in society. We oppose those who take advantage of price differences, which we create, to get rich, but we do not oppose intermediaries. At present, many countries that are stronger than we are still have to accept intermediary

markets because they find stable customers there. The socializing process of social labor, wherever it may be, creates producers, traders, businessmen, providers of services, and so on. These links form society's closed goods production and circulation cycle; and it is against the rules if we cut the latter into pieces and say intermediaries here and there must be eliminated. The question is what intermediaries we talk about.

[Anh Khue] To talk about market mechanism means to obey the supply and demand law, but the state has been controlling export-import in regard to quotas, prices, and so on. So how should export-import management be renovated in order to carry out the market mechanism and at the same time to reflect the regulating role of the state?

[Triet] All countries do have the managerial role that the state plays; to talk about market mechanism, therefore, does not mean that everybody just buys and sells without being subjected to any control. It does not mean that if he has goods, he can sell them anywhere. In our country, we have had cases in which many units bought a boat, loaded it with soybeans, and took it to Singapore, hoping to sell the soybeans without having a partner or contract, only to be told to leave the dock. So the adoption of the market mechanism does not mean to do away with quota and price control. To control with quotas is part of a policy to protect the country's interests; to adopt the market mechanism does not mean not to have quotas. And why do we have to control prices? The world price of rice with 5 percent of broken grains is US\$266/ton, but we have decided to sell this rice at US\$256/ton or more and not to accept any price lower than that. Some people think that since we have adopted the market mechanism why should we need to maintain price control. To think that way means that by lifting price control the state would accept the fact that the price of Vietnamese rice can never reach the level of rice prices in the world. And to accept letting exporters and importers buy at lower prices in order to sell at prices lower than US\$256/ton, or even at US\$250-251/ton, and still to make a profit means to suppress prices at the expense of farmers.

If the market mechanism does not need price management and if exporting farm products does not need price management, we will only impose losses on farmers. Therefore, there must be state management by means of quotas, prices, and so on. We will encourage those units that are able to sell rice at prices above the US\$256/ton level and refuse to allow selling rice at prices lower than this level so as not to harm the country's interests.

[Anh Khue] What about domestic commerce? Reality shows that state-operated and cooperative commercial activities are declining, with lots of units being dissolved or merged together and taking in more private individuals. People think that the commercial development leadership provided by the Ministry of Commerce and Tourism attaches greater importance to the export-import field and pays a minor attention to domestic commerce. Is this opinion right or wrong and how do you think the renovation policies and mechanism should be implemented in order to promote expansion and growth of domestic commerce?

[Triet] First of all, let people judge in an objective manner whether the Minister of Commerce and Tourism underestimates the role of domestic commerce.

As we are moving from the centralized and planned economy to the market economy, as the world's socioeconomic environment has undergone great changes, and as there have been many profound organizational changes caused by our merging ministries together and creating additional provinces, the Ministry of Commerce and Tourism has faced an enormous issue. In the work of such immensity we have had to select and create six work programs as follows: study of foreign markets, study of domestic market and goods circulation, five year tourism development plan, revamping of the export-import management mechanism, reorganization of the Ministry of Commerce and Tourism at both central and local levels to make its system and machinery suit better the new situation, and program to promote marketing cooperatives.

Just a month after the establishment of the Ministry of Commerce and Tourism, although the six programs have been drafted, we feel a profound sense of urgency in regard to adopting a foreign market strategy and think that we should act fast in order to present the issue to the upcoming 3rd Plenum of the CPV Central Committee in June. The issue of export-import has long been an incredibly messy one. The Council of Ministers has asked us to do planning anew and to reorganize and not to allow problems regarding quotas and export-import permits to recur. We have just chosen these two aspects of our work to be able to present in time at the plenum; as to drafting programs and plans on such issues as how to reorganize domestic goods circulation under the conditions of switching to the commodity economy and market economy, how to help develop the five components of the economy, what to do in terms of the role of the state-operated and cooperative commerce, and so on, we feel this is a very great subject matter that directly affects "all people." We have assigned Vice Commerce and Tourism Minister Le Huu Duyen to be director of subject matter and Hoang Dat, the chief of the former Home Trade Economic Institute, who has been handling scientific matters, to do the study. We do not underestimate the role of domestic commerce. But to have a correct answer about the present role of the state-operated commerce we have to admit that this is a very complicated matter. Some people have said that the Ministry of Commerce and Tourism should have assigned Petrolimex the whole task of taking care of the country's gas and oil, instead of letting localities do the importing. People cannot understand that Petrolimex charges a fee of US\$205/ton for doing the importing for people while the actual price is US\$170 or more per ton of gas-oil. And other people have questioned why we let corporations do business in the Nha Be gas storage complex. The reason why these people have asked the question is that they have not realized that a document has been issued to the effect that everybody who has gas and oil stored here must pay 85,000 dong for every ton that he takes out of the storage facility to retail elsewhere. We have long witnessed the fact that monopoly leads to authoritarianism. So should we continue to hold state monopoly over this? Now as we let a number of localities import gas and oil,

the first thing we do is to allow a fee of US\$35 per ton of assigned delivery of imported gas and oil. The Dong Thap Materials Corporation came to the Ministry of Commerce and Tourism to ask that they be able to import directly, instead of assigning other people to do it for them, because they could not afford to pay tens of thousands of dollars.

[Anh Khue] What is your opinion about marketing cooperatives?

[Triet] We had in the past 9,600 marketing cooperatives, but now we have only 2,200, and only 2,000 of them actually operate. Even this last figure I am not so sure about, because the number of cooperatives that are being dissolved increases everyday. In the past, marketing cooperatives had been established because the state gave them goods and materials for them to sell in order to get money to pay for the farm products they would purchase. But now as the state does not have materials to deliver, these cooperatives are being dissolved. So should these marketing cooperatives exist? If they exist, what formula of operations should they adopt? In the past, as the state delivered materials for them to operate, how did they operate? The way I visualized it, commerce had been doing the work of keepers and dispensers of storehouses, no more no less. Now, in the new situation, how do we reorganize them? Now that the state no longer delivers materials, how do the cooperatives operate? This is an extremely complicated problem which must be studied and has a lot to do with a new mechanism, with the socialist economic formula. This is an issue to be studied, a scientific issue that involves the brain and hard thinking and, in reality, requires us to draw a conclusion from it so as to build a new and correct organizational model for commerce. Many people have expressed their opinion, which is not totally correct, on this issue. Some of them have said that as they attended this conference, they found that commerce was pushed into an inferior position and that export-import surged forward. That was totally wrong because in its report the Ministry of Commerce and Tourism said that in the entire year of 1991, goods circulation in the country remained stable, prices of gas and oil did not go up, and the supply of essential materials still was ensured. So who was doing all that? The 31,000 billion dong of goods circulated in the year resulted from the participation of all five economic components, not just the state-operated and cooperative components as in the past. If we recognized the fact that all five economic components did share the goods circulation picture, we could not say that commerce was in an inferior position.

[Anh Khue] Thank you.

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[Article by Nong Duc Manh, Politburo Member and Head of Party Central Committee Department of Nationalities: "Correctly Understand and Implement the Party's Nationalities Policy in the Renovation Undertaking"]

[Text] The problem of nationalities is now becoming very acute, not only in the third world countries but also in the developed countries. In the Soviet Union and Eastern European countries, this problem has generated complex situations that exacerbate the general crisis in these countries. Although the problem of nationalities in Vietnam is unlike that in the aforementioned countries, the question of socioeconomic development to meet the vital demands of the material and moral lives of ethnic minority people, especially the tribal people in the highlands and at the border, outlying and former base areas, now constitutes an urgent task. Difficulties in production, low living standard, and gaps in the economic and cultural lives between the ethnic minority and majority peoples and among different regions continue to grow, causing a component of the ethnic minority people, especially the underdeveloped ones, to worry about their survival and development. Conflicts of interests among various ethnic groups have emerged in some localities. The imperialist and reactionary forces are intensively capitalizing on the issues of nationalities and religions to instigate division in the national solidarity bloc; cause political instability; and oppose and attack our people's process of renovation, socialist construction, and national defense.

The theoretical and practical issues of nationalities require us to study and apply Marxist-Leninist viewpoints and Ho Chi Minh thoughts correctly and creatively in the implementation of the party's current policy toward nationalities in our country. The seventh party congress platform for national construction during the period of transition to socialism clearly specified: "To achieve equality, solidarity, and mutual assistance among the people of various nationalities; create conditions for the people of all ethnic groups to advance on the path of civilization and progress in close relation to the common development of the community of all Vietnamese nationalities; respect the interests, traditions, culture, dialects, customs and faiths of all ethnic groups; and oppose big-nation chauvinism and bigotry, and racial discrimination and division. Socioeconomic policies must suit the characteristics of various regions and ethnic groups, especially ethnic minority people."

In the spirit of the seventh party congress, the party's policy toward nationalities aims to comprehensively develop the people of all ethnic groups in our country, gradually eliminate the differences of economic and cultural standards in the advance toward socialism, and achieve equality, solidarity and mutual assistance in making progress on the basis of respect for the interests, traditions, culture, dialects and fine mores of people of all ethnic groups. As a result, the party's policy toward nationalities is revolutionary and socially progressive. This viewpoint must be reflected in all the socioeconomic and other specific policies of our party and state, and be aimed at improving step by step the social life of each ethnic group and in different regions so that the people of all ethnic groups can gradually do away with poverty and backwardness, surge forward to a certain standard of civilization and progress, and become more and more united in national construction and defense.

The party's nationalities policy in the new situation is comprehensive and all-inclusive because it covers all aspects

of social life. The main objective of this policy is to create conditions for the socioeconomic growths of each region and each ethnic group to keep pace with the overall national development, thus laying the groundwork for further consolidating the solidarity bloc, guaranteeing true equality among people of different ethnic groups, and providing the basis for gradually overcoming gaps in the economic and cultural developments among various ethnic groups.

The key objectives of the renovation of the party's nationalities policy are to guarantee the right of mastership of different ethnic groups in a unified state, to respect the legitimate interests of each ethnic group, and to correctly and harmoniously resolve the conflicts of interests among various ethnic groups in the course of advancing toward socialism. The state will increase investment in socioeconomic developments in the areas inhabited by tribal people and will attach special importance to the living conditions of compatriots on highlands and in the border, outlying, or former base areas to develop the strengths of each region and each ethnic group to create an aggregate strength to support the task of building and defending the socialist Vietnamese fatherland. Being based on the democratic and humane nature of socialism, our party's nationalities policy takes into account everyone's right to exist, develop, and be master of his or her own fate, as well as the principle of respect for the interests that each ethnic group may have in a unified state, regardless of its population, historical background, or level of development... Only by accepting such a concept can one overcome indications of localism, individualism, big-nation chauvinism, and the patronizing spirit regarding the ethnic minority people.

The problem of nationalities in our country involves not only a social or cultural issue nor can it be identified with the problem concerning the mountain regions. More importantly, it involves a major, sensitive political issue touching on different aspects of ethnic minority people's lives. It is linked with the objectives of socialist construction and national defense. Furthermore, it constitutes a long-term and complicated problem requiring adequate attention and calling for efforts to avoid all indications of subjectivism and formalism.

The nationalities policy in the new situation aims to secure equality among various ethnic groups and promote the sense of mutual assistance in the advance toward socialism, thus making various ethnic groups share equal rights and duties and guaranteeing conditions for the interests of each ethnic group and the common interests of the nation as a whole to develop harmoniously. One should not attach importance only to the common interests and belittle or violate the interests of a single ethnic group. By the same token, one should not exaggerate or absolutize the interests of a single ethnic group and jeopardize the common interests of the nation as a whole. Only by advancing toward socialism under our party's leadership and only by adopting a revolutionary, scientific nationalities policy can we gradually overcome gaps in the economic and cultural developments, guarantee genuine equality, consolidate and strengthen the national solidarity bloc, and bring about a civilized, happy life in our nation. To this end, we must fully

understand the major orientations governing the implementation of the nationalities policy at present.

1. Step up the commodity-based multisectoral economy in a way to suit the characteristics of each area, seeing to it that the ethnic compatriots can exploit their local strengths to enrich themselves and contribute to national defense.

Marxist theory points out that the development of each nation depends on the growth of the production force and the level at which the division of labor and the economic exchange between nations are carried out. At present, the economy in various areas inhabited by ethnic minority groups is, for the most part, still in a natural, autarkic, and self-sufficient state. It is therefore necessary to develop the multisectoral commodity-based economy in the advance toward socialism. This, combined with efforts to build new rural countryside in conformity with the characteristics of each locality, is a correct action and a decisive factor in spurring the growth of ethnic minority groups. Meanwhile, the economic growth of ethnic minority groups as part of organic relations between economic structures in each area and in the entire territory as a whole, will effectively tap various potentials and strengths. It will unleash all production capabilities, diversify various forms of production and business, and broaden economic integration and cooperation with foreign countries. To achieve this, it is necessary to adopt the following basic and urgent formulas:

—Establish the need to link land ownership with the compatriots' environments and do away with land disputes and uncontrolled migration by ethnic minority people.

Land, an asset of the entire people, should be placed under unified state control. Meanwhile, the state should respect the right of peasant households to stabilized land use and those who have been longtime land users or exploiters of fallow land, turning it into fertile soil. As for areas inhabited by ethnic minority groups and which are occupied by state organizations, it is necessary to have them readjusted based on democratic and equitable principles with respect for the legitimate rights of local people. This should be done accordingly, with priority allocation of hill land (including forestry land, industrial crop areas, grasslands) for local compatriots for production. On this basis, it is necessary to redetermine the size of state-run agricultural and forestry units in these areas. Readjusting and reorganizing land in the mountain regions should be linked with efforts to deliver forests and forestry land to each household, the reorganization of production, restructuring the economy, and encouraging the expansion of branches and trades to develop commodity production and exploit the strengths of each area. Where cultivatable land is not adequate, we should devise a plan to move the people to stabilized production areas. In this, we should adopt the same policy as that applied to those sent to build new economic zones. We should do away with the current uncontrolled migration.

As the knowledge of production forces in ethnic minority areas is still very poor and as the social situation there is still complex, we should strengthen households as the main production and business units in these areas. It is necessary

to create conditions for stabilizing and developing household economies and to gradually promote various forms of cooperation in line with requirements for developing production and the traditions of ethnic compatriots.

A state-level program for resettlement and farming of ethnic minorities should be established and linked to the protection of environment, the development of new economic zones, and the relocation of population and workers countrywide and in each region. We should have a uniform investment plan, focus on each program and project, mobilize generally all sources of capital and create conditions for people to actively participate in zoning off and nursing and protecting forests, and in covering fallow land and bare hills with greenery. This should be in line with combining agro-forestry production with the processing industry and the building of a new countryside through the various contracts made by household heads with various economic sectors. Under this program, state-run organizations and collectives should satisfactorily perform production and processing tasks and ensure product consumption. The state should have special policies on tax exemption and reduction. It should supply materials and purchase all products so that people can stabilize their production and livelihood. It should ensure adequate and timely supply of food to localities in short supply of grain. It should assist people in localities where transportation is difficult to apply technical innovation, and to make the most use of land surface to carry out intensive cultivation and crop rotation and to grow extra crops to solve grain shortages on the spot. It should make its best effort to prevent people from resuming the nomadic life and slash-and-burn farming.

The state should adopt an appropriate mechanism to mobilize many sources of assets and to make uniform and targeted investment to promote the development of goods production and to change the socioeconomic situation in tribal areas.

Presently, the mobilization of assets from people and the economic sectors at home and abroad is significant to the socioeconomic development of nationalities areas. Particularly, this refers to the state-budget policy to make uniform and targeted investment in important domains and regions, in conformity with established programs and projects.

Along with accelerating the allocation of land and forests to peasant households authorized for long-term land use, aimed at giving them confidence to invest in production and business, the state should formulate favorable policies on credit terms and finance (including exemption and reduction of import-export taxes on locally made products) to attract investment from economic sectors at home and abroad to ethnic minority areas and mountainous regions.

Priorities should be given to environment protection and humanitarian aid projects of international organizations for solving urgent socioeconomic problems in these areas. At the same time, the state should concretize its support for investment in the expansion of communications and transportation, the protection of environment, public health, education and tribal cadre training. This should be done by adopting appropriate mechanisms and policies to be

reflected in each yearly plan from now until 1995 and the subsequent years to promote socioeconomic development there.

The state should adopt mechanisms and policies to build infrastructure in communications, water conservancy and energy, water conservancy projects (production and potable water), information and liaison, trade centers and services suitable to the requirements of socioeconomic development and specific conditions of each locality. This should be done in connection with the goals of stabilizing and improving the living conditions and firmly maintaining security and national defense in the ethnic minority areas.

At a time when the economic situation in the country is still rife with difficulties and many pressing problems, the state investment in developing infrastructures in the areas of ethnic people along the aforementioned line should be concentrated and targeted, using various measures to ensure practicality and effectiveness. At the same time, there must be a suitable mechanism for promoting the self-reliance and creativity of the ethnic people, and to mobilize the latent potential of various economic sectors and forces involved in the areas in order to overcome the underdeveloped state and rapid degradation of existing infrastructures in the areas of ethnic groups.

2. There must be special policies to develop education and training in the mountainous areas, emphasizing the training of ethnic cadres and intellectuals.

Raising the intellectual standards of ethnic people is an extremely important factor closely linked to the strategy of socioeconomic stabilization and development of ethnic group areas. First of all, we must effectively implement the programs for eradicating illiteracy and universalizing education in conformity with the requirements of socioeconomic development and the specific conditions of each area and each ethnic group, and we must resolutely overcome the method of stereotyping for the sake of formality. We must simultaneously formulate programs and plans for basic and advanced training of all types of cadres to meet the strategic requirements of developing each area and each ethnic group. We must rationally arrange the system of colleges and professional schools in the mountainous regions; pay special attention to the expansion and qualitative improvement of ethnic boarding schools, vocational training centers, and various classes in professional colleges designed for ethnic people on highlands and outlying areas and for Khmer people in Nam Bo. At the same time, we should implement an appropriate regimen for the students and teachers of these schools and classes.

More investment must be made to prevent the degradation of schools and to build boarding schools, ensuring enough teachers and classrooms for ethnic minority children. The system of short-term training must be expanded to train production and business management cadres and specialists, emphasizing the training of sector chief experts consistently with the economic structures of each region.

We must consolidate and expand classes for ethnic cadres in the school networks of the party, mass organizations, the administration, and the armed forces, according to the

renovation program. At the same time, we must place and employ effectively the existing contingent of ethnic cadres—including the still physically fit and competent ethnic retirees—in suitable positions. All the promulgated systems and policies must be adequately implemented for mountainous and ethnic cadres. At the same time, we must screen, amend, and supplement systems and policies in a satisfactory manner to encourage competent cadres in lowlands to go and work in mountainous and ethnic group areas, and to give some incentives to local cadres who work on highlands and in outlying areas, thus creating conditions for cadres to feel at ease and devote their utmost to building the country. This will attract competent and eager experts to work effectively for the development of ethnic group areas.

3. Selecting, safeguarding, and upholding the cultural quintessence of various nationalities and each ethnic group in Vietnam; preserving and developing the dialects and writing systems of various ethnic groups; and exploiting mankind's cultural and scientific values constitute the important orientations of our party's cultural policy.

The policy on cultural activities and ethnic cadres covers major, consistent issues in the party's nationalities policy, and has a strong impact on the development of various ethnic groups. In the domains of culture and the arts, the party's nationalities policy aims to constantly apply the achievements of a new culture to the people's lives, protect and develop the traditional cultural values of various nationalities, provide ethnic minority people with cadres and material and technical facilities to build a healthy cultural life, and strengthen the cultural relations among various ethnic groups.

As far as their cultural life is concerned, ethnic minority people should be kept informed of current events and policies and should be supplied with books and newspapers. Furthermore, it is necessary to design an adequate lifestyle for each ethnic group. The cultural values of various ethnic groups are closely linked with their dialects and writing systems, if any, and must be respected and developed. Continued efforts are needed to study, compile, translate, publish, and distribute folk literary works. The policy on bilingual education must be concretized and institutionalized through state regulations, and must also be effectively implemented where needed. Incentive measures must be taken by the state to encourage the use of tribal dialects and writing systems in information and publishing activities.

4. A policy must be worked out to help hilltribe people improve their living conditions. Special attention must be given to compatriots living on highlands and in deep or former revolutionary base areas. Measures must be taken to overcome a decline in population growth in some ethnic groups.

The state should increase investment in the public health care system and improve the efficiency of medical care and treatment for ethnic minority compatriots. Positive steps must be taken to enforce the various national campaigns against malaria and goiter. Concerted efforts must be made to get rid of epidemic-breeding diseases leading to a high mortality rate in some ethnic groups. At the same time, appropriate measures suitable to the characteristics of each ethnic

group must be taken to implement the population control and family planning programs. Steps must be taken to encourage the planting and processing of locally available medical herbs, as well as the use of traditional medicines to prevent and control diseases. A specific timetable must be mapped out to train sufficient medical cadres from the various tribal villages and hamlets. An appropriate policy on hospital fee reduction or exemption must be worked out to benefit people seeking medical examination or treatment at the various medical facilities on highlands and in deep or former revolutionary base areas.

It is necessary to adopt a priority treatment policy toward some staples like rice, salt, lighting oil, school supplies, medicines, and cultural and artistic services in support of compatriots living on highlands and in deep or former revolutionary base areas. Efforts must be made to ensure that by 1995 we can basically resolve the problem of drinking water for highlanders and compatriots of Khmer origin in Nam Bo provinces.

Along with the measures to actively help the people step up the development of production and to steadily settle nomadic farming and life, there should be plans to prevent and control pre-harvest starvation for people in the highlands, paying special attention to those areas frequently hit by natural disasters. At the same time, there must be programs to overcome the dwindling population of some ethnic groups.

The above-mentioned problems must be solved on the basis of promoting self-reliance and exploiting to the highest extent all the latent potential of the people and of all socioeconomic organizations, and the charity activities in combination with proper state investment, considering it part and parcel of the strategy of human development and an essential socioeconomic policy that is closely linked to the strategy of economic development in the ethnic group areas. We must resolutely prevent the enemy from capitalizing on the difficulties and unfortunate happenings in the life of the ethnic people to instigate and divide them, causing instability in the ethnic group areas.

5. Life of the people of all nationalities should be democratized.

Lenin indicated: To achieve prosperity and rapprochement among the people of all nationalities on the path to socialism, economic development is a decisive factor. We cannot attribute this achievement completely to economic factors, but we still must establish a broad democratic system for all nationalities. If we can do so, we will overcome all causes of suspicion and resentment and build mutual confidence and understanding among the people. Every ethnic group has its own characteristics closely linked to the specific conditions and situations in its living environment. All positions and policies of the party and state must take these conditions into full account so that the people's legitimate considerations and aspirations can be satisfied, the interests of each group in particular can be respected, and the interests of all groups in general in the community of all ethnic people in our country can be harmoniously settled.

The development of each ethnic group is primarily due to the people themselves of that group, who know how to surge forward to assert their equality with others. The party and state ensure the ethnic people's rights to join the leading agencies of the political network at all levels and to participate in debating and deciding on all problems of the socioeconomic life in the ethnic group areas. In debating and deciding on matters related to the interests and life of an ethnic group, all agencies with authority must adopt a mechanism for the people of that group to express their thoughts and aspirations, must respect the views of their delegates to the national assembly and the people's councils at all levels, and must avoid a majority imposing its views. We must respect the right to mastery of the people of all nationalities, discuss and reflect on problems with them in order to discover effective measures to deal with problems posed by their real life, and avoid undertaking all subjective, hasty actions.

6. We must combine national defense closely with security in the ethnic group areas, oppose all subversive and aggressive plots and maneuvers of the enemy, and protect the socialist regime, the party, the administration, and the people.

The class struggle in the world has undergone some changes in its form, but no changes in its nature. Although the enemy has changed some of its strategies, it has not relinquished its plot to undermine the revolution in our country. As a result, we must thoroughly understand and implement national defense and security tasks set forth by the seventh party congress. We must unite the people of all nationalities, secure army-people solidarity, and build strong and firm national defense and security in villages. We must make the people of all nationalities heighten their vigilance to actively detect the enemy plots and maneuvers, especially the plots to capitalize on the characteristics of ethnic group areas, mountainous and border regions, and so forth to oppose and attack us. Having the troops and people be of one mind serves as a firm basis on which to enable the local administration and armed forces to promptly prevent and foil all the subversive plots of the enemy, including its military actions, and to secure the initiative in all circumstances to defend the homeland, assure political security and public order and safety, and make important contributions to the successful implementation of the two strategic tasks of building and defending the socialist Vietnam Fatherland.

Attention should be paid to the following measures in order to satisfactorily implement the policy on nationalities:

1. The fundamental experiences in the theoretical and practical research on nationalities issues in our country must be emphatically summarized.

The party and state should provide guidance for generally summarizing the implementation of nationalities policies since the reunification and advance of the entire country to socialism, especially since the sixth party congress, in order to draw out the lessons of success and failure and other experiences, which will serve as a base to continually renovate the party's nationalities policy in national construction and defense.

The party central committee department of nationalities must have a plan to summarize the issues of nationalities in

our country to help the party central committee bring the nationalities policy of the seventh party congress to bear on life. All echelons, sectors, and scientific agencies depending on their functions, should adopt plans to basically study the theoretical and practical issues of nationalities and the relations with ethnic groups in our country. The research results will help us understand more profoundly the real life of ethnic people and the factors affecting the development of relations among ethnic groups, so as to take measures consistent with the law of objectivity and turn the policy of nationalities into a vivid reality in the life of ethnic people. At the same time, the research results will also enable us to promptly detect emerging contradictions, make accurate estimates, and propose measures to settle these contradictions in an active and creative manner.

2. Propaganda and education concerning the nationalities policy must be conducted broadly among the people of all strata nationwide to promote their traditions of solidarity and enable them to help one another progress.

All the means of mass information and the system of propaganda and training at all levels must have plans for broad propaganda concerning the party's policy on nationalities among all strata of the people so that the people can understand clearly that it is the responsibility of all echelons, sectors, and people nationwide to implement the nationalities policy by performing specific and practical tasks, and, at the same time, to educate the ethnic people on the spirit of solidarity and mutual assistance, so that the people of all nationalities and their areas can become closer every day and become attached to one another in the advance to catch up with the common standard.

We must introduce education on the nationalities policy into the curricula of all schools of the party, mass organizations, and the state, college, professional, and general schools throughout the country in conformity with the objectives of each recipient.

3. We must promote the revolutionary spirit and creativity of the people of all nationalities, making the party's nationalities policy a vivid reality among the masses.

It is an undertaking of the masses to thoroughly understand the revolutionary viewpoints and to make the people debate and creatively apply the party's nationalities policy to all domains of life and to the specific circumstances and conditions of each region and each ethnic group. We must promote the activity of the people by making them realize adequately their latent potentials and strengths, exploit all local resources to assert the equality of all nationalities themselves in real life, and surge forward to enrich themselves and contribute to national construction. We must avoid all subjective methods to impose on and assume work for the ethnic people. In this connection, we must renovate the organization and operating procedures of all sectors and echelons, aiming to truly promote the right to mastery of the people of all nationalities, respect and protect the legitimate interests of each ethnic group, and harmoniously settle the interests among various ethnic groups in building socialism and defending the homeland.

All positions and policies of the party and state, especially the socioeconomic policies, must be concretized to suit the characteristics and conditions of each region and each ethnic group, and to promptly solve the pressing problems in the life of each ethnic group, paying special attention to the life of people on highlands, outlying areas, and former base areas. The people of all nationalities must be authorized to participate in this process as true masters, because only can a link of concrete interests and practical deeds create a driving force to promote the development of the ethnic people.

4. The party's nationalities policy should be institutionalized by state laws and plans, and by action programs of all echelons, sectors, and social organizations.

The party and state should promptly rearrange the machinery in charge of the tasks of nationalities and make it compact, concentrated, and effective, aiming to ensure the party leadership and intensify the managerial and operational role of the state in the implementation of the current policy on nationalities. All the economic, cultural, cadre, and other policies dealing with the social issues in the ethnic group areas and equality of ethnic people in all domains of everyday life should be institutionalized by the state for legal validity, thus ensuring practicality in life. On this basis, everyone must be compelled to observe and implement the contents of the policy on nationalities. All cases of infringement on or violation of the policy which cause serious consequences must be severely dealt with according to law in order to overcome all casual and lackadaisical practices. At the same time, we must oppose all manifestations of bigotry, localism, and departmentalism. Moreover, we should struggle against the dictatorship and despotism of some arrogant cadres and state employees who fail to respect the people's right to mastery, seriously violating the right to equality among the people of all nationalities.

To make the party's policy on nationalities go down effectively into life, all echelons, sectors, and social organizations must concretize it into programs, projects, and plans containing suitable objectives, steps, and effective measures for its implementation.

The seventh party congress seems to be an important historic milestone marking the development of the revolution in our country in the new stage. The party's viewpoints on the issue and policy of nationalities manifest the creative application of the Marxist-Leninist principles and Ho Chi Minh thought to the issue of nationalities in the present conditions of our country pending the transition to socialism. All echelons and sectors should realize adequately, correctly, and profoundly the position of the seventh party congress in the issue and policy of nationalities in order to renovate their activities, enabling the nationalities policies of the party and the state to have a deep impact on all domains and change the material and moral lives of the people of all nationalities in our country. This is also a positive and active way to defeat the schemes of all hostile forces which attempt to capitalize on the issue of nationalities to oppose and attack our people's socialist renovation process. This is not only an objective and a responsibility but also an unshakeable sentiment that links all ethnic groups in the great family of nationalities living in Vietnam and that is reflected vividly in the current cause of socialist construction and national defense.

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